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The Wealth of Nations*

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The only agency which is competent to enact a positive program of economic progress is the national government. This is perhaps a truism. We define national government in terms of sovereign power, but we define the exercise of sovereign power in terms of control of currency, supervision over banking, the authority to enact tariffs and regulate immigration and to prohibit such enactments by local agencies, the final jurisdiction with respect to property rights, and so forth. Inevitably these are the prerogatives of sovereign power since exercise of these prerogatives constitutes effective control of the life of the community. If at any future time powers such as these were to be exercised by the American states, the United States of America would have ceased to exist as a nation; and similarly if at any future time these powers were to be exercised by any sort of League of Nations or Union of Democratic Peoples, the constituents of that league or union would have become states in the American sense and national sovereignty would have gravitated to the league. In other words, the national government is the agency of economic control by definition.

The whole of recent history exemplifies this truism. Opinions differ widely as to the ultimate effectiveness of the various economic programs which have been instituted in various parts of the world in recent years; but it is a matter of common observation that all of them have been national in scope and have been in fact the instruments of national governments both in the United States and elsewhere.

Nevertheless many students of economics continue to view the economic implementation of national governments with profound distrust. To some degree this distrust is a matter of sentiment. The citizens of democratic nations quite naturally regard the totalitarian states with dismay and abhorrence, and since these states have been bolder than any others in their handling of economic sanctions the whole world has

* Presidential address delivered at the twenty-first annual meeting of the Southwestern Social Science Association, Dallas, Texas, March 22, 1940.

come to associate economic planning with political dictatorship, to the great disadvantage of economic planning. It is inevitable that such feelings should be shared at least to some degree even by cloistered scholars.

But economists also have reasons of their own for hesitating to endorse any program which savors of economic nationalism. Since the time of Adam Smith economists have been consistent and determined internationalists at least as far as industry and trade are concerned, and for a very good reason. All the advantages of industry and commerce derive from specialization and the division of labor, between individuals and by the same principle between communities. As Adam Smith remarked in one of his most celebrated passages, it is theoretically possible to grow grapes in Scotland, under glass if need be, and to produce wines rivalling those of France and Portugal; but it would be far more economical for Scotsmen to concentrate on the industries in which they excel Frenchmen and Portuguese and to trade the products of those industries for foreign wines. By doing so the Scotsmen themselves would be better off no less than their southern neighbors. Therefore, he argued, any policy of national economic aggrandizement will inevitably defeat itself by interfering with this natural process of world economic specialization.

The principle of *laissez-faire* has never been confined to international affairs, but to an extent not generally realized the chief object of attack has always been national economic policy. It has often been pointed out that no economist ever advocated the complete abrogation of all governmental responsibility with respect to the economic life of the community. For example, the relief of extreme distress has always been recognized as a necessity, though economists have differed about matters of detail. But what is most significant about such cases is their explicitly local character. Like the private charity of which it is an outgrowth, poor relief and the "rates" by which it has been sustained have always been local. To a quite extraordinary degree the distrust of government of which *laissez-faire* is an expression has been focused upon national government.

The reason for this is of course historical. National government is suspect because it inherits a tradition of aggrandizement. As an economic policy this tradition dates from medieval times, since the modern economy had its beginnings in the medieval towns. It was in the beginning a town economy and was so regarded by the burgesses who therefore took every means within their power to enhance the prosperity of each

individual town at the expense of the surrounding countryside and also of the other towns. This situation resulted in a form of economic parochialism so extreme as to elicit from the leading authority on the period, the great Belgian scholar, Henri Pirenne, the remark that the public welfare has never been so completely identified with the power of economic special interests as it was in the case of the medieval towns.

The inevitable result of this exercise of economic power was to array the commercial towns and the feudal order against each other so as to compel the otherwise isolated commercial towns to band together for mutual protection against a common enemy. Thus occurred one of the most singular anomalies of history. The most formidable of these combinations, the Hanseatic League, became in effect a commercial state, exercising all the functions of political sovereignty including the maintenance of an army and navy and the dispatch of ambassadors to the courts of sovereigns, although its constituent cities were all located within the borders of what we should now regard as sovereign states. At this time the commercial economy in which all the towns were joined and the agricultural economy of the feudal countryside were alined against each other more definitely than ever before or since, each apparently believing that its advantage could be achieved only at the expense of the other.

In a sense the commercial economy prevailed, but not as a league of commercial cities. An eminent medievalist has said that the collapse of the Hanseatic League was due to its failure to adapt itself to the new conditions which the sixteenth century ushered in. This is a peculiar diagnosis, inasmuch as the chief condition to which the League proved unable to adapt was the appearance of commercial nationalism, especially in Tudor England. The suggestion contained in such a proposition is that if the Hanseatic leaders had been smarter they might have dealt with this phenomenon successfully. But how could they have done so? The truth is that commerce and agriculture are complementary parts of an economic whole. A truncated economy such as that of the Hanseatic League was no match for the national economy which resulted from the alliance of the national sovereign with his merchant subjects and could not possibly have been by any conceivable feat of adaptation short of ceasing to be a league of commercial cities.

With the triumph of the mercantile state there appeared for the first time something like a general economic theory and policy as we understand these terms. To a highly significant degree this is a matter of

scale. Whatever the medieval burgesses and gildsmen may have thought, it is evident to us that a town is not an economy, nor is a league of towns. But in the sixteenth century the national economy was a reality. The economy of Tudor England at all events made farmers and artisans, landlords and money-lenders all members of the same economic community, as in fact they are; and so it provided the fact of which mercantilist economics was the theory.

Had circumstances been different the economics of this period might have been truly national, describing the community of economic activities within the nation and seeking the wealth of the national community by the integration of those activities. But the circumstances were actually such as to focus attention not upon the national economy as the co-operative effort of a self-sufficient community but most particularly upon the apparent collision between the economic interests of the nation and those of other nations. The period of mercantile nationalism was also the period of empire-building. American gold made Spain a rich market for the goods of her European neighbors, including England; and their own colonies, notably England's, were cast in the same rôle. Many other factors of course contributed to British industrial specialization, but it was commercial imperialism which led to the theory and policy of bullionism and trade balance most characteristic of mercantilism—a theory and policy of national supremacy in the economic struggle between rival nations.

Since the classical principles of political economy were drawn up in direct opposition to those of mercantilism the concern of the founders of the science was likewise directed toward the international aspect of the economic problem to a noteworthy degree. Adam Smith's was an inquiry into the nature and causes not of wealth in general nor of the wealth of England regarded as a distinct economy but explicitly of the wealth of nations. The object of his attack was the "beggar my neighbor" theory of international relations; his longest and most hotly written chapters—the ones which made Edmund Burke his staunch ally—were polemics against the East India Company and British colonial policy in America; and the cause he chiefly served was that of free exchange to their mutual advantage, as he thought, between nations.

The sincerity of Adam Smith's good neighbor policy is beyond question. In his mind the advantages of national economic specialization were such as would accrue to all nations more or less equally. Certainly he had no thought of British hegemony. The very last words of his

great treatise were an invitation to his country "to accommodate her future views and designs to the real mediocrity of her circumstances." Even in the minds of Smith's successors the tremendous competitive advantage which Great Britain did in fact derive from her industrial priority was sincerely attributed to the moral leadership of her free-trade policy. Thus the fact of industrial might sustained the fiction of mutual advantage.

It is interesting to reflect on the bearing which this paradox may have had on the growth of the British reputation for hypocrisy. Certainly British moral leadership failed to carry conviction. To the degree to which Great Britain profited by her leadership in the world industrial economy other nations inevitably took steps to challenge that leadership by deliberate industrial imitation. From the time of Adam Smith himself the United States had pursued such a policy, and during the nineteenth century first Germany and then Japan followed the same course; and as the advantages of industrialization were thus made increasingly obvious the process was extended to a greater or less degree throughout the world, with the result that whereas a century ago Great Britain alone was qualified to serve as machine shop to the world now at least three other powers consider themselves called upon to play that rôle.

The facts of competitive industrialization on the national scale and of national competition for world markets are all too obvious and familiar to need recapitulation here. The point is that whereas the ideals of economic liberalism are a perfect antidote for the national aggrandizement which the mercantile powers of the seventeenth and eighteenth centuries inherited from the medieval burgesses, they are without any effect whatever upon the situation which has developed during the period of their ascendancy. That situation is one of (apparent) world industrial over-expansion by virtue of which each of the leading industrial nations seems to be obliged either to export or die; and since it is impossible for the (existing) world market to absorb all the exports which all the industrial nations are prepared to dump abroad the ensuing struggle is one of unprecedented violence.

The expedients which have been adopted in recent years by all the participating nations, even including England, have identified this period in the minds of most economists as one of neo-mercantilism. But the only thing the present situation has in common with that of two centuries ago is the fact of a struggle between nations. The nature of the struggle is quite different. The present participants are not merely trying

to enrich themselves at each other's expense. Each is confronted with a desperately precarious internal situation for which, it appears, a solution must be found through international trade, though it is perfectly obvious that international trade, however general and free, offers no possibility whatever of a general solution. Two nations both of which are suffering from industrial over-expansion can scarcely expect to solve their problems by trading with each other.

In this sense nations are nothing more nor less than competitive economic units, and as such they provide a perfect illustration of the fatal defect of competition as an economic mechanism. For, as we all know, competition involves bankruptcy, and the larger and more complicated economic units grow the more dangerous it is to allow competition to run its disastrous course until the whole economy goes through the wringer of bankruptcy. In the case of nations furthermore the process is accelerated by the well-known disposition of large competitive units with heavy overhead costs to cut prices below total cost. Competitive currency depreciation is precisely that, and so is barter trade. The truth is that modern industrial nations are now engaged in cut-throat competition precisely analogous to what was going on between American railroads half a century ago, and the lesson we learned then applies now. Disastrous cut-throat competition can be prevented only by the imposition of some higher power whose control to be effective must be virtually complete, and even then we face the problem of the effective utilization of the system as a whole. Mutually destructive competition between nations can be arrested only when the removal of such "unnatural restraints" as import duties and export bounties has been followed by positive control measures beginning with international currency control. This would mean in effect a world economic sovereignty, and even then the International Commerce Commission would face the problem of how to utilize world industrial capacity.

But the problem of the utilization of apparently redundant industrial capacity with which such a world power would eventually be confronted is the very one which each of the present industrial nations faces now. It is our thesis that only one solution is possible: that of adjusting consumption to expanding productive capacity by enlarging the distribution of mass purchasing power. To be sure, such a program might be undertaken by a world economic sovereignty. Indeed, in the event of the failure of the present nations to attack the problem directly, that seems to be the only alternative. It is nevertheless an alternative, and of the

two by far the more remote and difficult. If the present nations cannot solve this problem, what reason have we to suppose that they can and will resign their several sovereignties and form a super-state and then find the same solution to the same problem which they were incompetent to achieve on the present national scale?

For the increase in scale would bring no compensating advantage. National government is suspect, as we have already noted, because it inherits a tradition of aggrandizement. It was that tradition which the classical economists attacked and for which they proposed to substitute free and open competition among nations. This policy failed as a result of the unforeseen but inevitable spread of industrialization and the violence of the ensuing competition for markets among the industrial powers. The creation of a world state would eventually put an end to that disastrous competition throughout the world. But it rests within the power of any nation to abandon that struggle by the immediate application within its own community of the program by virtue of which alone the problem could be solved on a world scale by a world economic authority—that is, by the increased distribution of consumer purchasing power and the expansion of consumption to keep pace with production.

Doubtless such a nation would wish to engage in international trade, since the advantages of regional specialization are still as great as ever. The law of comparative costs would still prevail even after the resolution of the paradox of plenty. But—and this is the crux of the whole issue—the law of comparative costs governs production, whereas the present international struggle results from a deficiency of consumption. From the point of view of economies of production tariff reductions, reciprocal trade agreements, and the stabilization of exchange are no less desirable than in the time of Adam Smith. But we can scarcely expect to solve the problem of world overproduction (or underconsumption) by achieving further economies of production whether by international exchange or any other means. That problem can be solved only by an expansion of consumption. On whatever scale it is effected such a program is going to mean greatly increased consumption by the domestic community of every nation. There can be no escape from this. If industrial society is to persist, every community is going to have to nerve itself to the task of consuming more. The only question is whether such a program is within the competency of the present nations or must be deferred to world-wide sovereignty. This question raises two issues, that of means and that of effects. Are the means of increasing consump-

tion available to the present nations? If so, and if any given nation were to achieve a rate of consumption commensurate with its powers of production, what would be its fate?

As so often happens, to state these questions clearly is to answer them. The legal and administrative machinery for increasing consumption already exist in every modern nation. It only remains to set the machinery in motion on a scale commensurate with economic necessity. If this were done in any given nation, that nation would no longer be faced with the alternative, "Export or die," since it would then be prepared to consume in accordance with its own productive capacities. It therefore could and would withdraw at once from the international struggle for "world"—that is to say, foreign—markets. It would of course enjoy unprecedentedly high standards of living and would therefore incur the envy of its neighbors. But a standard of living is not something which can be captured and carried away as plunder by an invading army, and in the present case it would be abundantly evident that the good fortune of the consuming community derived from an economic policy which would be instantly dissipated by conquest, since it would derive from the policy of existing government. There would be only one way in which envious neighbors could share in such good fortune, and that is by imitation. In all probability a really effective application of the policy of saturate consumption would be infectious. That is, it is doubtful if any government could resist the spectacle of a neighboring people enjoying hitherto undreamed of prosperity without taking the only course by which that prosperity could be shared, namely, the immediate institution of the same policy. For conquest would plainly be quite futile.

All this is so obvious as to raise the question whether the distrust with which many economists nevertheless continue to regard any solution of the economic problem along national lines may not be indicative of something more than the influence of Adam Smith. With some no doubt this distrust expresses a nostalgia for the past. It is a distrust not so much of the national sovereignty as of the present. Even today many people would like to believe that we can oppose neo-mercantilism with paleo-liberalism, or rather they would like to believe that the mercantilism of today is indeed that of two centuries ago and that we have only to adopt the most enlightened policies of the eighteenth century to see it disappear.

Others are less ingenuous. Theirs is a distrust more specifically of the future. "Export or die" is of course the war-cry of a dictator. It is also an incomplete disjunction. As a solution of the problem of expanding industrial capacity the alternative to dumping goods abroad is consuming them at home. Those who say, "Export or die," are saying in effect, "Better the economy of war than peace by increased national consumption." But this is not so much an economic policy as a counsel of despair. It is the ultimate paradox of internationalism that the effort to solve the industrial problem by foreign trade should lead in the end to the most violent form of nationalism, just as it is the final paradox of nationalism that the totalitarian state should find itself obliged to seek the solution of its economic problems by world conquest.

Perhaps after all the real alternative is not between nationalism and internationalism but between the conquest of markets and the conquest of poverty. For each the national government is the appropriate and indeed inevitable vehicle. As a vehicle for the conquest of markets it becomes an instrument of world war. It becomes an instrument of peace and general free trade only when it is used to promote internal prosperity, the wealth of the national community.

Liquor Control and the Commerce Clause

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Alcoholic beverages in interstate commerce have been distinctively subjected to state legislation. In an effort to enable the states to maintain a semblance of dryness or a restrictive system, singular powers have been periodically granted by the Federal Government to the states. The Twenty-first Amendment represents the latest divestment of the power of Congress. Under the shelter of this Amendment the state legislatures have passed a multiplicity of measures designed not only to maintain the orderly sale of liquor but to maintain the sale of liquor produced within the state to the detriment of liquor of out-of-state origin. The full approval of the Supreme Court given to this preferential treatment begs an examination of the legal history of liquor in trade among the states for explanation of the present paradox.

The earliest judicial cue on the scope of the power of the states in regard to liquor in interstate commerce was handed down by the Supreme Court in 1847.¹ Unlicensed dealers in New Hampshire had imported gin from Massachusetts and had sold it. They were found guilty in a lower court of violation of the state law providing for licensing, and the decision was sustained by the Supreme Court. The charge of a violation of the commerce clause was recognized, but the Court pointed out that the clause was inapplicable since interstate commerce had ceased. The effect of this decision was to grant the states optional control without any inhibitions of the commerce clause.

The ruling in *Pierce and Pierce v. New Hampshire* was not enduring. Two decisions in 1888 and 1890 reversed the earlier case and left the states utterly impotent.² The importation of liquor by a resident of a state was fully protected by the commerce clause as was his right to sell it in the original package. This reversal was followed by the immediate appearance of "original package" shops in defiance of prohibition and

¹ *Pierce and Pierce v. New Hampshire* (The License Cases), 5 Howard 504 (1847). *Brown v. Maryland*, 12 Wheat. 415 (1827), did not involve an interstate shipment.

² *Bowman v. Chicago and Northwestern Railway Co.*, 125 U.S. 465 (1888); *Leisy v. Hardin*, 135 U.S. 100 (1890).

license laws. States having various forms of regulation urged congressional relief. The culmination of this was the passage of the Wilson Law during the latter part of 1890.³ It provided:

"... That all fermented, distilled, or other intoxicating liquors or liquids transported into any State or Territory or remaining therein for use, consumption, sale or storage therein shall, upon arrival in such State or Territory, be subject to the operation and effect of the laws of such State or Territory enacted in the exercise of its police powers to the same extent and in the same manner as though such liquids or liquors had been produced in such State or Territory, and shall not be exempt therefrom by reason of being introduced therein in original packages or otherwise."

The first test of this "divesting statute" came very quickly and the law was upheld.⁴ This ended the existence of the "original package" shops.

In 1897 a case was settled which ruled for the first time on state legislation under the Wilson Law that discriminated against out-of-state liquor.⁵ In 1895 South Carolina had established a state monopoly of liquor distribution. In order to encourage grape-growing within the state the markup on wines made from local grapes was restricted to ten per cent, while no limitation was placed on the markup on imported wines. Denouncing the procedure of the state, the Supreme Court said:

"It is not a law purporting to forbid the importation, manufacture, sale and use of intoxicating liquors, as articles detrimental to the welfare of the State and to the health of the inhabitants, and hence it is not within the scope and operation of the act of Congress of August, 1890. That law was not intended to confer upon any State the power to discriminate injuriously against the products of other States in articles whose manufacture and use are not forbidden, and which are therefore subjects of legitimate commerce."⁶

Thus, in unequivocal terms the Supreme Court ruled that the purpose of the congressional delegation had not been to enable the states to abrogate the commerce clause and give the states full rein. Although the states now had the right to determine the status of liquor within

³ Public Law, No. 223, 51st Cong., 1st Sess.

⁴ *In re Rahrer*, 140 U.S. 145 (1891).

⁵ *Scott v. Donald*, 165 U.S. 58 (1897). One previous case had involved discriminatory legislation concerning liquor. In *Walling v. Michigan*, 116 U.S. 446 (1886), a state statute which imposed "a tax upon persons, who are not residing or having their principal place of business within the state, engage there in the business of selling or soliciting the sale of intoxicating liquors to be shipped into the State from places without it, but does not impose a similar tax upon persons selling or soliciting the sale of intoxicating liquors manufactured in the State, is a regulation in restraint of commerce repugnant to the Constitution of the United States, . . ."

⁶ Italics by author.

their borders, they did not have the right to favor local producers over out-of-state producers.

What power the states had secured under the Wilson Act was merely ephemeral relief, for a decision in 1898 nullified, in effect, the provisions of that law.⁷ The words, "shall upon arrival in such State or Territory," were not construed to mean arrival at the state line, but meant the resting place in the hands of the consignee upon termination of interstate movement. Resale of liquor within the state could be controlled by the state but goods in the original package sent direct to the receiver for consumption were outside the scope of state authority. The effect of this and related decisions was to legalize mail order sales in the original packages just as *Leisy v. Hardin* had legalized local sales in original packages.⁸

Ameliorative legislation to protect dry or otherwise regulated states was passed by Congress in 1913.⁹ The Webb-Kenyon Act "divesting intoxicating liquors of their interstate character in certain cases" provided as follows:

"... That the shipment or transportation, in any manner or by any means whatsoever, of any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind, from one State, Territory, or District of the United States, . . . into any other State, Territory, or District of the United States, . . . or from any foreign country into any State, Territory, or District of the United States, . . . which said spirituous, vinous, malted, fermented, or other intoxicating liquor is intended, by any person interested therein, to be received, possessed, sold, or in any manner used either in the original package or otherwise, in violation of any law of such State, Territory, or District of the United States, . . . is hereby prohibited."

Viewed in the light of the times the objective of this measure was indisputably to enable the states that wanted to exercise their police power to do so. Paving the way for discrimination was not intended. States soon exercised the power granted them under the new law and court struggles rapidly developed to test the right of Congress to dele-

⁷ *Rhodes v. Iowa*, 170 U.S. 412 (1898). See also *Vance v. W. A. Vandercook Co.*, 170 U.S. 438 (1898).

⁸ *American Express Co. v. Iowa*, 196 U.S. 133 (1905). See "Liquor Control; the Latest Phase," (Legislation), *Columbia Law Review*, April, 1938, pp. 644-669; Wiser, Ralph L. and Arlege, Richard F., "Does the Repeal Amendment Empower a State to Erect Tariff Barriers and Disregard the Equal Protection Clause in Legislating on Intoxicating Liquors in Interstate Commerce?" *The George Washington Law Review*, January, 1939, pp. 402-414; Rogers, Lindsay, "Interstate Commerce in Intoxicating Liquors before the Webb-Kenyon Act," *Virginia Law Review*, February, 1917, p. 364.

⁹ Public Law No. 398, 62nd Cong., 3d Sess.

gate its power to the states.¹⁰ Chief Justice White in a majority opinion observed that Congress had lost its power over interstate commerce for "the will which causes the prohibitions to be applicable is that of Congress, since the application of state prohibitions would cease the instant the act of Congress ceased to apply."

No cases came before the Supreme Court under the Webb-Kenyon Act which involved discrimination of one state against another. Adoption of the Eighteenth Amendment obviated such a possibility. The period of dormancy of the particular liquor problems discussed ended with the Twenty-first Amendment. Absolute prohibition in the whole of the country was superseded by state autonomy.

Section 2 of the Twenty-first Amendment, modeled after the Webb-Kenyon Act, provided:

"The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited."

Examination of remarks made in Congress indicates that the resemblance of the wording was intentional.¹¹ This, the framers believed, gave the states the same freedom that they enjoyed under the Webb-Kenyon Act.¹² In order to make certain of the position of the states, Congress in 1935 reenacted the Webb-Kenyon Act.

With the coming of repeal, state liquor control seemed to be in a position identical to that prior to prohibition. The federal laws were, in substance, unchanged. The objective was to prevent the immunity characteristic of interstate commerce from being used to make state laws meaningless by resort to subterfuge. Although nothing was said concerning the complete abrogation of the commerce clause and the possibility of discriminatory abuses developing, seemingly it was assumed that some powers were still withheld from the states. Regardless of intent at the time of repeal, states have seized upon the Twenty-first Amendment to pass partial legislation in profusion. This seemed to accompany the increase throughout the country of discriminatory laws of all types. The thrust of liquor control upon the states without restrictions came with the stress of local interests that was typical of the depression. That the present generation of legislators is more resourceful than the pre-prohibition group is doubtful. Discriminatory liquor

¹⁰ *James Clark Distilling Co. v. Western Maryland Railway Co.*, 242 U.S. 311 (1917); *James Clark Distilling Co. v. American Express Co.*, 242 U.S. 311 (1917).

¹¹ 76 *Congressional Record*, 4139-4143, 4168-6171, 4219 (1933).

¹² *Wiser and Arlege, op. cit.* p. 407.

legislation, while enabled by the Twenty-first Amendment, is a product of the times. To a certain extent, the growth of these barriers to trade has been self-generating. Enactment of a law by one state which handicapped the sale of beverages from another state has been followed by retaliation on the part of the injured state against the products of the initiating state. Thus, the basis for a vicious circle is established and trade is stifled. The transfer from liquor to other products is a possibility and an eventuality.

Interstate difficulties in liquor control may be divided into two categories. The first arises out of the wide variation in liquor laws that were passed by the states to establish the local option with regard to liquor that the residents wanted, and the second develops out of discrimination. With regard to the first, the states had their choice of being dry (prohibition of beverages containing more than a certain per cent of alcohol), establishing a license system, or assuming the distribution as monopolists. Sixteen states have entered the business of liquor distribution.¹³ The monopoly is not effective in the complete sense and is somewhat modified. Beer and light wines are commonly sold by private concerns with state sale of spirits and wines of high alcoholic content. Twenty-five states have followed the general plan of permitting licensed, private companies to distribute alcoholic beverages. The remaining seven states have minimized the revenue aspect and remained wholly or partly dry.¹⁴ Each of these systems has been confronted with the problem of the local bootlegger and the foreign bootlegger. States that minimize the prohibitive element to maximize revenue have contributed to a thriving business in illicit sales that rivals prohibition days. W. S. Alexander, Administrator of the Federal Alcohol Administration, after making many references to specific cases of circumvention of liquor laws, remarked:

"... nearly everyone is aware of the fact that large quantities of liquor are being sold by licensed dealers in Illinois, Arkansas, Kentucky, Maryland, and other States, for delivery into monopoly States, as well as dry States and local option States, for unlawful use."¹⁵

High license fees and taxes in the license states, prohibition in the dry states, and the combination of markup and taxes in the monopoly states

¹³ Gilbert, James F., "Revenue from and Taxation of Alcoholic Beverages," *Commonwealth Review*, November, 1938, p. 623.

¹⁴ *Ibid.* 621.

¹⁵ Address of W. S. Alexander before the National Conference of State Liquor Administrators, Miami, Florida, March 20, 1939 (a release of the Treasury Department).

are responsible for the violation of state laws.¹⁶ This study, however, is concerned with the sinister initiative exercised by the states rather than with the actions of individuals.

Following the Chamber of Commerce policy of "what we make makes us," states have passed discriminatory laws of many types. The following represent the most important ramifications of this sort of statute:

1. Taxes or license fees upon the transportation or importation of alcoholic beverages into the state.
2. Taxes or license fees on an out-of-state manufacturer before his products can be sold by another party within the state.
3. Higher warehousing or inspection fees on liquor of out-of-state origin than local source.
4. Prohibition of the solicitation of orders from a retailer by an out-of-state middleman or manufacturer if locally licensed middlemen can fill the same prospective orders.
5. Fees for solicitation of orders by out-of-state firms when none or lower fees are exacted of local concerns.
6. Higher taxes on liquor manufactured without the state than within.
7. Higher fees for the privilege of dealing in out-of-state liquors than domestic liquor.¹⁷
8. Absolute prohibition of the importation into the enacting state of alcoholic beverages of other states.

Without resort to statutory procedure, discrimination could emerge through the choice exercised by the buyers in monopoly states. Partiality by this means has not been considered extensive.¹⁸ Some monopoly states have no local distilleries. Washington, however, has only a ten cent per gallon tax on local wines while other wines have a much

¹⁶ (a) According to James H. Gilbert, the markup on liquors in monopoly states averages at least 50% on spirits. In Maine it is 64%, in Pennsylvania 60%, and Michigan 55%. Sales taxes are added in some monopoly states and special excises in others. Wines are commonly advanced 40%, presumably to encourage milder drinking. Monopoly states that permit private outlets resort to licenses and taxes to balance the mark-up in the governmental stores. Specific taxes may be applied to liquor regardless of outlet. Gilbert, *op. cit.* p. 624. (b) States with the license system rely upon licenses and taxation. The annual cost of licenses ranges from \$1.00 in some states to \$5,000 in others. Distillers, rectifiers, brewers, winers and wholesalers commonly pay much more than retailers. The top figure for the latter is \$1,500. Per gallon taxes on spirits range as high as \$2.20 in Maine. Many states have no tax and \$1.00 is the mode. Other beverages show a wide variation in the specific levies. "Report of the Committee on Statistical Data for 1937," *National Conference of State Liquor Administrators*, pp. 10-13.

¹⁷ Kelty, E. S., "Discriminatory Legislation Affecting Alcoholic Beverages," *Proceedings of the National Conference of State Liquor Administrators*, 1937, p. 202.

¹⁸ Gilbert, *op. cit.* p. 624-625.

heavier burden. In Maine local products must be favored. Pennsylvania adopted a retaliatory law and refused to buy the products originating in certain other states. It would be extremely difficult to detect much of the favoritism that is possible. Statutes are not needed to further the "buy-at-home" policy.

Examples of discriminatory license requirements imposed on non-resident manufacturers or wholesalers before they are permitted to sell within a state may be found in Maine, New Hampshire, New Mexico, North Carolina, Vermont, Washington, Michigan and Colorado.¹⁹ Where license fees are high, such as \$1,000 in Colorado, small shippers are especially harmed. In-state distributors of "foreign" beer in Pennsylvania, Maryland, Indiana, Nevada, and Washington must pay special license fees which are higher than those required of distributors of domestic beer. Occasionally it is necessary to qualify to do business as a foreign corporation in order to secure a license. California had a special \$500 beer importer's license on the statute books long enough to be tested and approved by the Supreme Court. Indiana seriously impaired the sale of out-of-state beer by the imposition of a \$1,500 fee and the requirement of a surety bond of \$10,000 from concerns selling foreign beer within the state.²⁰ The number of these licenses issued was restricted to one hundred.

Preferential taxes are present in several states. Michigan taxes domestic wine 4 cents per gallon and foreign wine 50 cents. In Georgia wine from native grapes bears a 5 cent impost as against 40 cents if made from imported grapes. Maine and Georgia have similar taxes.²¹

Ohio prohibits the shipment of wine in tank cars. California winers ship in this manner. North Carolina in 1937 declared an embargo against foreign wine by limiting sale within the state to the native product. Wisconsin, Minnesota and Iowa require that beer be made of at least two-thirds barley malt.²² This, however, was chiefly directed against the use of barley substitutes, such as rice.

The reaction on the part of the injured state usually has been resentment that manifested itself in punitive and retaliatory legislation. When Indiana inflicted intolerable burdens on Michigan beer, Michigan res-

¹⁹ *Barriers to Internal Trade in Farm Products*, Report of the Bureau of Agricultural Economics to the Secretary of Agriculture, March, 1939, p. 32.

²⁰ Indiana Liquor Control Act of 1935, Laws, 1935, c. 226.

²¹ *Barriers to Internal Trade in Farm Products*, Report of the Bureau of Agricultural Economics to the Secretary of Agriculture, March, 1939, p. 33.

²² *Ibid.*

ponded with an act of the 1937 Legislature making it mandatory upon the Liquor Control Commission to ban within 90 days beer from any state which discriminated against Michigan beer. A veritable border war existed for a time at the boundary line between the states. Fortunately, officials of the two states were able to secure an armistice which, it is hoped, will be permanent. Indiana has undertaken revision of her regulations. The scope of the Michigan retaliatory law necessarily banned beer from Maine, Maryland, Nevada, New Hampshire, North Carolina, Pennsylvania, Tennessee, Vermont and Washington.²³ Neither Maine nor Vermont had breweries. When Pennsylvania applied the "eye for eye" doctrine, Michigan weakened and did not bar beer from the Quaker state. Pennsylvania, Ohio, Connecticut, Florida, and Rhode Island have a flexible retaliatory plan under which the regulations on the beverages from another state (for example, Michigan) are the same as those of Michigan on their products. Rhode Island terms her measure "reciprocal" rather than retaliatory. Under this legislation Michigan and Ohio have waged a three-year war.

Such specific retaliation has been commended by officials of the enacting states. Mr. E. W. McFarland of the Michigan Liquor Control Commission, while mildly condemning retaliation, declared that if discrimination existed, retaliation on like products might well be adopted.²⁴ Evidently he was rationalizing for Michigan by comparison with the drastic means taken by Missouri. The home state of the Anheuser-Busch Brewing Company and other large brewers passed an anti-discrimination act barring all alcoholic liquors from states having discriminatory laws that affected the products of Missouri. The discriminatory laws included any statute or regulation imposing license fees on the right to import; non-resident licenses, when the non-resident is not engaged in interstate business; greater restriction on the agents of non-residents than on the agents of residents; and, finally, any other prohibition, restriction, or condition that placed Missouri products at a disadvantage in competition with domestic ones.²⁵ The last phase might even encompass transportation charges.

These discriminatory and retaliatory laws, while constitutional, have not been as satisfactory as the local interests had hoped. California in

²³ "Liquor Control; The Latest Phase," *op. cit.* pp. 644-669.

²⁴ McFarland, E. W., Minutes of a discussion at the Midwest Regional Assembly of State Governments, November 21-22, 1938, p. 3.

²⁵ Missouri Laws 1937, p. 536.

1937 repealed her beer importer's license. Early in 1939 Missouri retracted her anti-discrimination act. In signing the bill of the Legislature, Governor Stark said that the Missouri law had been passed for the purpose of breaking down trade barriers but it had turned out to be an additional deterrent to the free flow of interstate commerce.²⁶ According to James H. Gilbert, it is this sort of enlightenment on the part of state officials and legislators, plus the diversified tastes of consumers, that will keep discriminatory legislation minimal.

The action of California and Missouri cannot offset the great increase that has taken place in discriminatory liquor laws. It is hard for the layman, the lawyer and the economist to understand why such legislation has been permitted to stand on our legislative books. Even the California and Missouri statutes conquered every constitutional challenge. The explanation of the paradoxical existence of such laws is to be found in the decisions that have been handed down by the higher courts.

The earliest case in point to reach the Supreme Court of the United States was *Premier-Pabst Sales Co. v. Grosscup*.²⁷ The real issue of the case was neatly sidestepped by the Court but the nature of future decisions was suggested. Pennsylvania had in 1933 passed an act which provided for the licensing of beer distributors. No license was to be granted to a corporation unless all of its officers and directors, and fifty-one per cent of its stockholders had been residents of the state for two years. The Premier-Pabst Sales Company, incorporated in Delaware but brewing beer in Illinois and Wisconsin, secured a license to sell even though it could not meet the tests of residence of its members. In 1935 through an amendment Pennsylvania sought to discriminate against distributors of imported beer. The annual license fee for importers was \$1000 with a \$2000 bond, while dealers in domestic beer paid \$400 with a \$1000 bond. The company did not apply for the new license and filed suit against the Liquor Control Board in an effort to restrain enforcement of the amendment. After defeat in a district court the case came to the pinnacle of justice by appeal. The company believed that the commerce and equal protection clauses of the Constitution had been violated by the variation in the fees. No complaint was made concerning the residence requirements. With these facts in mind the Court said that since no license could legally issue to the company,

²⁶ *St. Louis Post-Dispatch*, March 23, 1939, part III, p. 1.

²⁷ 298 U.S. 226 (1936).

owing to the unchallenged resident requirements, it could not be injured by the alleged unconstitutional discrimination.²⁸

Within the same year the Supreme Court was confronted with another case involving discrimination and for the first time committed itself on the substance of the Twenty-first Amendment.²⁹ This involved the previously mentioned beer importer's fee of California. Young's Market was a California company duly licensed to sell beer in that state. Part of the beer it sold was imported from Missouri or Wisconsin. The state imposed a \$500 license fee upon it for the privilege of importing beer. This was unmatched by a levy on dealers in domestic beer and did not confer the privilege of selling. Refusal to apply for the license exposed the company to penalties and injuries exceeding \$3,000. Suit was brought in a district court contesting the validity of the fee and the company was granted an injunction. The case advanced to the Supreme Court by appeal. The main contention of Young's Market was that the exaction of the importer's license fee violated the commerce clause, because it discriminated against a wholesaler of imported beer. The Court expressed itself on this point as follows:

"... Prior to the Twenty-first Amendment it would obviously have been unconstitutional to have imposed any fee for that privilege. The imposition would have been void, not because it resulted in discrimination, but because the fee would be a direct burden on interstate commerce; and the commerce clause confers the right to import merchandise free into any state, except as Congress may otherwise provide. The exaction of a fee for the privilege of importation would not, before the Twenty-first Amendment, have been permissible even if the State had exacted an equal fee for the privilege of transporting domestic beer from its place of manufacture to the wholesaler's place of business. . . .

... They (the plaintiffs) request us to construe the amendment as saying, in effect: The State may prohibit the importation of intoxicating liquors provided it prohibits the manufacture and sale within its borders; but if it permits such manufacture and sale, it must let imported liquors compete with the domestic on equal terms. To say that, would involve not a construction of the Amendment, but a rewriting of it."³⁰

The argument of Young's Market that some limitation on the Twenty-first Amendment should have been evident from its history back to the Wilson Act was curtly dismissed by the Court. Justice Brandeis said: "As we think the language of the Amendment is clear, we do not

²⁸ *Ibid.* 228.

²⁹ *State Board of Equalization v. Young's Market*, 229 U.S. 59 (1936).

³⁰ *Ibid.* 62.

discuss these matters." To a student of history such a blunt statement is utterly unacceptable.⁸¹

The claim that the equal protection clause invalidated the measure of California was dismissed on the grounds that a "classification recognized by the Twenty-first Amendment cannot be deemed forbidden by the Fourteenth."

This decision has been the precedent for other recent cases concerning preferential legislation. The subsequent suits, however, introduced sufficient court refinements and considerations to warrant a brief study.

Certain parts of the Michigan liquor controls were challenged in a federal district court during the same year of 1937. Suits were instituted to invalidate the section of the Michigan Liquor Control Act which provided for an inspection fee of 25 cents per barrel to be paid by out-of-state manufacturers of beer.⁸² The license fee of \$5.00 on out-of-state sellers was also disputed as was the limitation of Michigan wholesalers to the handling of the beer of a single out-of-state brewer. The complainants argued that the regulations imposed a discriminatory burden. With this the Court was in full agreement, but it added that in view of the case of *State Board of Equalization v. Young's Market* such discrimination was entirely within the power of the state.⁸³

The Michigan prohibition of beer from states that discriminated against Michigan beer was the basis for the first test of this particular aspect of control. The Indianapolis Brewing Company had developed profitable sales in Michigan and was threatened with complete destruction of that phase of its business since its home state of Indiana had discriminated against Michigan beer. A suit for protection was begun.⁸⁴

The federal district court saw only conformity between this case and the two earlier ones just considered. It went on to sanction retaliation by saying:

"... Michigan, finding the markets of other states closed to its own industry while its own market is open to unlimited competition, is free to seek legislative correction of an unequal competitive condition within the limits

⁸¹ For analogy and contrast, see the *Slaughter House Cases*, 16 Wall. U.S. 36 (1873).

⁸² *Zukaitis v. Fitzgerald*; *Jos. Schlitz Brewing Co. v. Fitzgerald*, 18 F. Supp. 1000 (1936).

⁸³ Ohio levied a discriminatory tax on the importation of Michigan beer in retaliation against Michigan's onerous and partial fees. In the case of the *State, ex rel. Superior Distributing Co. v. Davis*, 132 Ohio 308 (1937), the Supreme Court of Ohio substantiated the powers assumed by the State. *State Board of Equalization v. Young's Market* was the precedent relied upon.

⁸⁴ *Indianapolis Brewing Co. v. Liquor Control Commission*, 21 F. Supp. 969 (1938).

of its power. It may not, of course, exercise extra-territorial power or control the Legislatures of its sister states, but it is idle to deny it power to regulate its own industry and control its own market to the extent that its industries are elsewhere excluded, and to the extent that such exclusion threatens their economic stability, and it is not an unreasonable classification to discriminate against out-of-state products in respect to their source when the laws of the state of origin create the evil sought to be remedied and the classification operates equally upon all who fall within its reach."⁸⁵

In 1938 the Supreme Court of the United States removed any vestiges of doubt that remained in the minds of students of constitutional law, concerning its opinion of the abrogation of the commerce clause under the Twenty-first Amendment. A Minnesota statute provided that no licensed manufacturer or wholesaler could import intoxicating liquors of more than 25% alcohol unless the brand was registered in the Patent Office of the United States. Local products were exempt. Joseph Triner Corporation of Illinois assailed the measure as violative of the equal protection clause. A temporary injunction was granted in a district court in 1935 and this was made permanent in 1937.⁸⁶ Notwithstanding the case of *State Board of Equalization v. Young's Market*, the district court believed the Minnesota requirement to be unreasonable and arbitrary. The decree was appealed by the Liquor Control Commission and ruled upon by the Supreme Court on May 23, 1938.⁸⁷ The substance of the opinion was "See *State Board of Equalization v. Young's Market*." The Court saw no basis for a test of "reasonableness" but instead saw only the words of the Twenty-first Amendment in their narrowest connotation.

Further evidence of the restricted view of the Court was shown in the consideration of the case of *Indianapolis Brewing Co. v. Liquor Control Commission*.⁸⁸ This decision ended the litigation that was involved in a federal district court case discussed earlier in this article. The retaliatory and prohibitory law of Michigan was fully approved by the Supreme Court. The company had argued that the Amendment did not permit retaliation, and insisted that, if such were the case, Michigan would be allowed to punish Indiana for doing what was permitted under the rule of *State Board of Equalization v. Young's Market*. On this specific point the Court answered: "Whether the Michigan law

⁸⁵ *Ibid.* 971-972.

⁸⁶ *Triner Corp. v. Arundel*, 11 F. Supp. 145 (1935); *Triner Corp. v. Mahoney*, 20 F. Supp. 1019 (1937).

⁸⁷ *Mahoney v. Triner Corp.*, 304 U.S. 401 (1938).

⁸⁸ 39 S. Ct. 254 (1939).

should not more properly be described as a protective measure, we have no occasion to consider. For whatever its character, the law is valid." Such a decision is likely to reduce substantially the attempts of liquor concerns to free themselves from inequitable legislation.³⁹

Because the scope of the anti-discrimination act of Missouri was even broader than that of Michigan, the Supreme Court had an opportunity to draw a line on the distance states could go in discrimination.⁴⁰ Under the Missouri act if any alcoholic product were discriminated against by another state, all liquor manufactured in the state in which the discrimination existed was barred from Missouri. Thus, it was not beer for beer as in Michigan, but beer for alcohol, wine, gin, whiskey, and beer. The Court saw no reason for distinguishing from its earlier rulings and even though the measure did not relate to the protection of health, safety and morality but was merely a weapon of retaliation, it was not a violation of the commerce clause.

The objective of the Twenty-first Amendment was to grant the states freedom of action in the exercise of police and taxing powers so that the states could maintain the degree of wetness or dryness that they desired. The Amendment was merely intended to confer upon the states the same power as had been given them by the Webb-Kenyon Act. It is unfortunate that the Amendment should have its spirit so perverted, because of a literal interpretation that ignores the true intent. The possibility clearly is present for the Supreme Court to protect the morally commendable ends of state liquor control and at the same time see that justice prevails by equalizing the privileges of those engaged in the legitimate production and distribution of alcoholic beverages.

³⁹ Only once have state laws concerning liquor met with rebuff. This case, however, did not develop in the field of interstate commerce but in the realm of intergovernmental immunity. *Collins v. Yosemite Park Co.*, 304 U.S. 518 (1938).

⁴⁰ *Joseph S. Finch v. McKittrick*, 59 S. Ct. 256 (1939).

Shaffer County: A Southwestern Boom Episode

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Just as the gold rush in California brought about acute problems in the distribution of population, so has the great oil wealth of the Southwest caused towns to spring up over night. The famous Cushing field in Oklahoma, which came into prominence in the few years following 1912, and the struggle over the proposed Shaffer County is a southwestern example of the rapid population movement.

Cushing was the name applied to two small business centers a mile apart—eleven stone buildings grouped about the Katy and Santa Fe railway stations. It was a rural trading place for the marketing of cotton, livestock, poultry, eggs, and grain. Possession of one automobile gave the town a metropolitan air. In Creek County, east of Cushing, lay the poor lands of many arbitrary Indian allotments, doled out to their owners before anyone suspected the presence of oil. There were some farmers on the Creek lands, but the chief value of the area was in pasturage.¹

Late in 1911 a stranger asked for a night's lodging at the home of Frank Wheeler, a stone mason living on a farm twelve miles east of Cushing. The visitor was seeking oil leases and introduced himself as Thomas B. Slick. The nearest wells at the time were twenty-six miles east of Wheeler's farm, and there existed a strong prejudice against lease buyers. After much argument Slick succeeded in leasing the Wheeler farm, and with even more difficulty an oil well was later financed.² Charles B. Shaffer, a Chicago oil man, was important in financing the operations on the Wheeler farm.³

In the spring of 1912 the well was brought in with an initial production of 400 barrels at a depth of 2,319 feet.⁴ Oil editors now had

¹ Interview with Dave F. Thorton, Muskogee, Oklahoma, August 7, 1937.

² "Magic Knock of Fortune," *Literary Digest*, March 14, 1934, 568, 570, 572; C. B. Glasscock, *Then Came Oil*, 217-218.

³ "Oklahoma and Oil Walk Hand in Hand," *The Magnolia Oil News*, April, 1931, 58.

⁴ Glen Patchett, *The Cushing Oil Field* (MS), Mid-Continent Oil and Gas Association, Tulsa, Oklahoma.

something to write about besides dry holes. Slick would tell nothing about the well, but the oil men of Tulsa learned that there had been a pipe line arranged for and a large storage tank ordered. A sale of Indian leases was held at Eufaula, Oklahoma, where prices were high. The largest, \$65,000 for forty acres near the Wheeler Farm, was bought by the Prairie Oil and Gas Company, then a producing, as well as a transporting, company. There were few cars and fewer roads in that section of Oklahoma, and the spring rains had made transportation difficult. The impatience of the buyers of oil leases increased greatly when it was learned that all the livery rigs at Cushing had been rented and locked in their stables.⁵

Slick and his assistants were busy scouring the country for leases for a distance of six miles in every direction from the Wheeler farm. The owner of the automobile made money by renting it at a price of twenty-five dollars for a ride to the well. Furthermore, the mystery that shrouded the Wheeler well acted as a trumpet call to the oil men, who began to crowd into the little village of Cushing.

In May the business men of Cushing raised a subscription fund for improving the road to the oil field, which began to develop rapidly about the Wheeler well.⁶ In the fall Aaron Drumright leased to L. E. Gibson a plot of land which adjoined that of Frank Wheeler. Although there were only a few wells near by at the time Gibson believed that this plot would later be in the heart of the oil field. Drumright planned to sublease this land for business purposes, and with Gibson's store as a focal point, squatters began to settle in the region.

Late in January, 1913, Drumright and R. A. Fulkerson, who held the farm across the road, used the section line as a main street and began to plat a town. They set aside a strip nine hundred feet wide on each side of this road, later to be called Broadway, divided the land into town lots, and leased them for ninety-nine years at a price of twelve and one-half dollars a front foot.

In forty-four days this town, Drumright, near the site of the discovery well, had an estimated population of five thousand. By that time it had streets, homes lighted with gas, a water system, and a commercial club of forty-four members. That same spring it gained a post-office, and held the first city election. The people of Drumright boasted that, unlike many boom towns, it was not dominated by the liquor interests.

⁵ *Tulsa World*, March 21, April 18 and 19, 1912.

⁶ *Cushing Democrat*, May 2, 1912.

Yet the liveliest of entertainment was afforded by a hair-pulling staged by two angry but sober women, and fist fights became a daily occurrence, sometimes involving many men.⁷

Wells were completed rapidly. In January, 1913, they produced 11,000 barrels daily,⁸ and by February there were 161 wells producing 23,079 barrels a day.⁹ By August of the same year the field was nine miles long and three miles wide, with but one dry hole among the first seventy wells drilled.¹⁰ Storage facilities were taxed to the utmost to take care of the petroleum. In 1913 forty-two steel tanks holding 55,000 barrels each and nine wooden tanks holding 37,000 barrels each were used.¹¹ Gas was not so easily saved, and in one instance it was allowed to burn in a flare six feet high and two feet wide.¹²

As the development of the Cushing oil field continued, the roads became congested with the heavy wagons hauling machinery and supplies. There were two roads from Cushing to the field—one for loaded wagons with their plodding teams, and one for the return of empty wagons. Later a third was made for the use of buggies and carriages.¹³

The development of the Cushing oil field and the rapid influx of people, attracted by the resulting high wages and demand for labor, formed the basis for the proposal of a new county, to be named for Charles B. Shaffer, who had financed the first well and had been instrumental in the subsequent development of the Cushing field. The new county would take 204 square miles from Payne County, 189 miles from Creek County, and 131 from Lincoln County. Thus the new county would have 524 square miles and would still leave an ample area to each of the parent counties.

Opposition to the proposal developed at once, for the Cushing oil field was a rich source of taxes for the parent counties. The opponents argued vociferously that if the new county were formed, it must assume a share of the debts of the three counties from which it was taken. Pro-

⁷ *Drumrights Derrick*, March 14, June 18, July 4, 1913.

⁸ United States Geological Survey, *Mineral Resources of the United States*, 1913, p. 1032.

⁹ L. C. Snider, *Oil and Gas in the Mid-Continent Field*, (Oklahoma City, Oklahoma), p. 220.

¹⁰ Sidney Powers, "Petroleum Geology in Oklahoma," *Oklahoma Geological Survey, Bulletin 40*, I (Norman, Oklahoma), p. 8.

¹¹ Department of the Interior, Commissioner of Indian Affairs, II, *Annual Report*, 1914, pp. 289-290.

¹² Raymond S. Blatchley, *Waste of Oil and Gas in the Mid-Continent Field*, Department of the Interior, Bureau of Mines, p. 39.

¹³ Interview with H. H. Atkins, Muskogee, Oklahoma, August 8, 1937.

ponents answered by citing a Wyoming case where a new county had not assumed any of the obligations of the counties from which it was formed. They contended, moreover, that Shaffer County would acquire all the county property within its bounds, mainly in the form of school houses. They avowed that Shaffer County should come into existence free of debt, and that the increase in the Cushing oil field would make it the richest county in the state.¹⁴ Cushing became a thriving town about the same time, and residents looked forward to making it the county seat. Drumright, also, was growing rapidly. The Shaffer County agitation became contagious, for in September, 1913, in the town of Prague, a similar new county movement was started. The proposed new county was to take parts from Pottawatomie, Seminole, Lincoln, and Okfuskee Counties.¹⁵

In Payne County the objection to the creation of Shaffer County hinged on the argument that the parent county would not contain the required fifteen thousand population if a part of it were taken to make a new one. But a special census indicated that Payne County would contain more than fifteen thousand persons even if Shaffer County were substracted. Therefore, petitions were prepared and presented to Governor Lee Cruce, asking that he call a special election.¹⁶

This was far from ending the controversy over the matter. Drumright also asked for the county seat. Although it was one of the newest towns of the state, and had grown almost exclusively from the oil development, its citizens claimed they could muster two thousand votes. Opposition to their ambitions was to be found at Cushing, where it was hoped that the two-hundred-thousand-dollar court house would be erected. Thus in parts of the potential Shaffer County antagonisms began to form. A map of the proposed county was printed and circulated showing the inclusion of several other small towns in addition to Cushing and Drumright.

On November 6, 1913, Governor Cruce issued a proclamation that called for an election on the question of forming Shaffer County.¹⁷ More than half of the qualified voters of the affected areas were said to be in favor of the organization of the new county. The final arguments were that it would contain not less than 400 square miles and not less than

¹⁴ *Cushing Independent*, August 22, September 12, November 14, 1913.

¹⁵ *Drumright Derrick*, October 31, November 7, 1913.

¹⁶ *Cushing Independent*, October 31, November 7, 1913.

¹⁷ *Proclamation Book*, Governor's Office, Oklahoma State Capitol, Oklahoma City, Oklahoma.

15,000 voters, and it would include taxable property valued at \$2,500,000. Governor Cruce called attention to the fact that the formation of the new county would place the county seat within ten miles of every resident.

A few days later a "Shaffer County Booster Rally" was held at the Cushing Christian Church, where J. F. Jerome of Yale was chosen president, and State Senator H. S. Blair, editor of the *Drumright Derrick*, was made secretary. Plans were made to hold a "BIG COUNTY RALLY" at Cushing, November 19. The tax problem of the proposed county was debated. The proponents declared that the plan could not increase the taxes of the citizens of Drumright, for they were already paying the legal maximum. But the citizens of Stillwater, in Payne County, argued that the taxes would have to be increased because Shaffer County must assume its share of the debt of the parent counties in addition to building its own court house. Cushing residents gingerly attempted to avoid internal conflict and declared that the selection of the county seat would be a matter for the Shaffer County citizens to settle later. Cushing, with its four thousand persons, however, worked for the county seat and anticipated that the location of the county government might increase the value and price of building lots. Ripley, a town of 318 people, also put in a claim.

Candidates for county offices began campaigning as early as December, 1913, so that they might be ready to assume their duties as soon as organization was completed. A Shaffer County Election Rally was held in the new Cushing school, and a few days later a similar event was held at Yale, where the Cushing band and glee club aroused enthusiasm.

As a means of confusing the election issue, a proposal was made in Payne County to move the county seat of that county. Stillwater, already the possessor of the seat of government, was placed on the ballot with Ripley, but a mid-December election left Stillwater the winner. The election doubtless created a great deal of confusion among the voters. Some Cushing citizens had hoped that Stillwater might lose the county seat, since it had projected the election to cripple the Shaffer County project.¹⁸

As the Shaffer County election approached, the *Stillwater Gazette* threatened to enjoin the entire proposal on the ground that there had been fraud in taking the special census. The answer to this threat came in the form of a Shaffer County rallying song written to the tune of "The

¹⁸ *Cushing Independent*, November 14, December 5, and 9, 1934.

Battle Hymn of the Republic." The report was current that in case the creation of Shaffer County failed, an effort would be made to divide Lincoln County.

Only a few days before the election, Cushing proponents of the new county were aroused by the announcement that a group of Oklahoma City Socialists had offered to conduct a rapid-fire speaking campaign for one thousand dollars. The Cushing Commercial Club was asked to raise the money, in return for which six speeches would be made. The Commercial Club refused to employ the talent, however, suggesting that they deal with Stillwater.

The election was held on February 7, 1914. On the next day the announcement was made at Cushing that the Shaffer County plan had won on the basis of incomplete returns from Creek and Payne Counties, but that the result in Lincoln County was not so favorable. Various charges of illegal procedure were made. Some of the Lincoln County boxes were alleged to have contained too many ballots—more than double the number of the residents of the precincts. One man who had been dead for two years was reported as a voter. Another ballot box contained at least fifty illegal votes, all of which, according to the friends of Shaffer County, had been sold to defeat the plan. Another scandalous charge heard at Cushing was that a forged telegram of instructions had been sent to the election judges. The Cushing enthusiasts admitted that a legal fight would result from the election, but they were certain that Shaffer County would win. Then the newest and richest county of Oklahoma would emerge free from debt and be in a position to prevent incurring obligations of this sort.

Soon more excitement came. Four of the Shaffer election inspectors were arrested in Lincoln County, taken to Chandler, the county seat, charged with being drunk, and their ballot boxes taken from them. In vain they protested that they were not drunk, that they were driving to the capitol with their boxes, and that the Lincoln County officials did not have the authority to arrest them. Legal or illegal, they were not given their boxes to take to Oklahoma City.¹⁹

When all the votes were counted, both sides appealed to Governor Cruce, who announced his decision in a proclamation on February 24, 1914.²⁰ He regretted the treatment given the four election inspectors in

¹⁹ *Ibid.*, January, 2, 9, and 30, 1914.

²⁰ *Proclamation Book*, *loc. cit.* The vote by counties was as follows: Payne, yes, 1325, no, 419; Creek, yes, 663, no, 405; Lincoln, yes, 440, no, 376.

Lincoln County, but on the basis of votes in the three counties concerned, the proposal for Shaffer County had not passed. There was a total of 2398 votes on the affirmative side and 1200 on the negative. Consequently, the proposal had not obtained the necessary sixty per cent in each particular portion to be transferred.²¹

After this failure the movement lost its force, to become only an historical incident in the population trends of the Southwest. Today, after a quarter of a century, Cushing and Drumright are sleepy villages, where the loiterer at the filling station may hear the old men tell stories of the boom days.

²¹ Constitution of Oklahoma, Article 17, Section 3.

Economic Diversification in the Southwest

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I

On any industrial map of the United States the Southwest is, vaguely, that far-flung, light area, with few thinly shaded spots, bounded on the east by the Mississippi River, on the west by California, on the south by Mexico and the Gulf of Mexico, and on the north by Missouri, Kansas, Colorado and Utah. Yet the term, Southwest, has become an ambiguous one. There is, first, the Gulf Southwest of the Census Bureau, which includes Texas, Oklahoma, Arkansas, and Louisiana. Second, there is the Southwest embraced in the Eleventh Federal Reserve District consisting of Texas, Southeastern Oklahoma, Northern Louisiana, Southern New Mexico, and Southeastern Arizona. Third, there is the Southwestern freight rate territory, which lies west of the Mississippi River and roughly south of a line from St. Louis through Kansas City to El Paso, embracing Southern Missouri, Southeastern Kansas, Arkansas, all of Louisiana west of the Mississippi, Texas except the northwest panhandle, Oklahoma except the panhandle, and the southeastern corner of New Mexico. Fourth, there is the Southwest of the Southwestern Social Science Association, including the states of Texas, Oklahoma, New Mexico, Kansas, Missouri, Arkansas, Louisiana, and possibly Colorado. And finally there is the Southwest devised by the author of "Southern Regions,"¹ which includes only Texas, Oklahoma, New Mexico, and Arizona. This last is the Southwest with which this paper is primarily, though not exclusively, concerned.

It is tragically apparent and generally agreed that the Southwest should seek to hasten that type of economic development which is likely to be most conducive to the realization of full employment, abundant production, and higher living standards. However, there is some difference of opinion as to the best means of realizing these objectives. It is therefore urgent that serious thought be given to the issues between those who advocate regional specialization on the one hand, and

¹Odum, Howard W., *Southern Regions in the United States*, University of North Carolina Press, 1936.

those who seek an extension of regional diversification and industrialization on the other.

The dearth of manufacturing in this region in this industrial age is regarded by some as a rebuke to our lethargy, to others as the product of deliberate interference by "fools and knaves" with the forces that make the industrial map.² Whatever the cause, there is wide-spread agreement that it is now time to industrialize the Southwest. In fact, the entire Southland is on the march to locate new industries. However, it may be said that probably there are still those who are thankful that the Southwest has not yet been tarnished by great industry with its lock-step and deadening regimentation, and its cities with their slums. But those voices have grown faint and are now scarcely audible.

Industrialization has become a favorite panacea for the ills that afflict our economy in the agricultural areas. Part-time agriculture and industrial employment is widely recommended as the logical alternative to the vicious one-crop agricultural system which of late has fallen upon evil days. Current proposals do not anticipate complete industrialization, but just enough diversification is proposed to "balance farms with factories."³ And while a large and growing literature abounds on the subject, much research remains to be done, if such a program is to be wisely directed. More accurate information is needed to enable one to know just how far economic diversification is possible or even desirable in any area. Industry is a generic concept and needs to be broken down into types and kinds that are adapted to a given region. Our present quest is for facts that will reveal the presence or absence of the industrial locational factors and provide a basis for appraising their relative significance in the Southwest.

An intensive program of industrial diversification in the Southwest implies some degree of decentralization of industry from its national centers of concentration; not mere diffusion but dispersion of industry. This is obviously true since the region to be industrialized would be producing locally many articles now purchased from the manufacturing centers.

In this brief study three pertinent questions are posed and at least tentative answers attempted. First, to what extent and at what rate has

² Woods, Ralph L., *America Reborn: A Plan for Decentralization of Industry*, Longmans Green, 1939.

³ O'Daniel, Governor, W. Lee, *Possibilities for the Industrial Development of Texas*, 1939. See also, "Summary of Resolutions of Southern Conference of Governors and Southern Conference on Interstate Problems," *Business Week*, Feb. 2, 1940.

the Southwest developed industry, especially manufacturing? Second, what factors tend to attract and what obstacles tend to repel industrial location in the Southwest? Third, how far is it possible or desirable to remove the obstacles to industrial location and hasten industrialization of the region?

It appears from the foregoing that the subject here considered is the opportunity for economic diversification in the Southwest with special reference to the development of manufacturing. Delimitation of the subject was necessary. Hence, this is primarily an inquiry into the extent and prospects of manufacturing in the Southwest.

II

For comparative purposes essential to this study the Southwest, as previously indicated, is defined technically as the area embraced in the states of Texas, Oklahoma, New Mexico, and Arizona.⁴ This area includes some 568,000 square miles and is roughly eighteen per cent of the land area of the United States. It has a population of more than 9,000,000 or about seven per cent of the total population of the United States. Population density per square mile in these states, according to 1937 census estimates, is as follows: Texas, 23.5; Oklahoma, 36.7; New Mexico, 3.4; Arizona, 3.6. Average population density for the entire United States is estimated at 43.5 for the same year. The northeast industrial area has a population density of approximately 150 per square mile.

The 1929 census of manufactures shows that 74 per cent of all manufacturing wage jobs in the United States at that time were in the 200 counties that comprise the 33 industrial areas and other important industrial counties.⁵ Not one of the 33 industrial areas was in the Southwest, and only eight of the 200 important industrial counties were in this area. Of these Texas had six important industrial counties, Oklahoma had two, while New Mexico and Arizona had none. This means that the other 26 per cent of all wage jobs were scattered throughout the more than 2800 other counties in the United States.

Daniel B. Creamer in his study of population redistribution, published in 1935 and titled, "Is Industry Decentralizing?" found that in 1933 only 3.2 per cent of the wage jobs in manufacturing were in the Southwest; while of the total wage jobs New England had 13.2 per

⁴ This perhaps unduly limited view of the Southwest is chosen for statistical convenience only. The analysis is intended to have a wider and more general application.

⁵ Creamer, D. B., *Is Industry Decentralizing?* University of Pennsylvania Press, 1935.

cent, the Middle Atlantic area 28.5 per cent, the East North Central States 26.1 per cent, and the South Atlantic States, 12.9 per cent.⁶

Creamer concluded that there was some apparent tendency toward the suburbanization of industry but, up to 1929, no marked tendency toward decentralization. The perceptible trend toward dispersion of industry since that time he attributes to the depression, and finds no basis for expecting continued industrial decentralization.

The extent to which the Southwest has been industrialized, or rather the extent to which the Southwest has not been industrialized, is perhaps best exhibited in that remarkable study, "Southern Regions" by Professor Howard W. Odum.⁷ In the many tables showing regional variations and trends in total manufacturing, the relative industrial importance of each region is revealed. The rank of the Southwest in these various matters shows very scant industrial progress for this area. For example, of the total manufacturing establishments in the United States the Southwest had three per cent in 1914 and 3.5 per cent in 1929. The percentage of total manufacturing accounted for by the Southwest is presented in the following figures that show in each instance the increase from 1914 to 1929: Cost of materials, 2.6 per cent in 1914 to 3.8 per cent in 1929; the number of wage earners from 1.5 per cent to 2 per cent; the value of the product from 2.2 per cent to 3 per cent; in total wages the gain was from 1.6 per cent to 1.8 per cent; in value added by manufacturing the Southwest gained from 1.7 per cent to 2.1 per cent; the per cent of horse power increased from 2.2 per cent to 2.9 per cent.

With respect to various types of industries the Southwest ranked in 1929 as follows: Textiles and their products, .9 per cent of the total; forest products, 2.9 per cent; paper and allied products, .7 per cent; printing, publication and allied products, 4.8 per cent; chemical and allied products, 5.1 per cent; products of petroleum and coal, 10.6 per cent; leather and its manufacture, 1.2 per cent; stone, clay and glass products, 3.7 per cent; iron and steel and their products, 2.1 per cent; machinery, not including manufacturing equipment, 2.7 per cent; transportation equipment, 1.8 per cent; railroad repair shops, 7.4 per cent; miscellaneous industries, 1.9 per cent.

These figures show that as far as manufacturing is concerned, the Southwest is barely in its swaddling clothes. However, some signifi-

⁶ *Ibid.*

⁷ Odum, Howard W., *op. cit.*, p. 336.

cant gains are indicated. The industrial possibilities of these regions are also perhaps best revealed in the work referred to above, Odum's "Southern Regions," which includes a summary of Dean Raymond Thomas's "Economic Inventory of the Southwest," material from the latter having been incorporated in the general survey on "Southern Regions." The summary of the industrial possibilities of the Southwest states:†

"The four necessary requirements are available: Namely, raw materials, power, population, and market outlets. These conditions however, point strongly toward regionally adapted types of secondary industries . . . petroleum refining, flour milling, meat packing, cotton ginning and compressing, and cement manufacturing. Despite the availability of apparently inexhaustible sources of cheap fuel and power in the form of crude oil, natural gas, and coal, it seems doubtful if manufacturing in this region will develop far beyond the regionally adapted types."

The per capita value added by manufacture has been computed by Federal Reserve districts for 1929. It was shown that in the Eleventh Federal Reserve District, of which Dallas is the center, in 1929 only \$78 per capita value was added by manufacture, which is the lowest of all the districts. New York, the center of the Second Federal Reserve district, was the highest with \$411 per capita value added.* Certainly the Southwest is essentially an agricultural area, and is one of the least industrialized sections of the entire country.

Yet the Southwest has made a beginning and has, even under present conditions, limited opportunity of initiating various regionally adapted, new industries, and of further developing such industries as are already launched. Just what industries even now and ultimately may be included in "regionally adapted types," no one can at present say. Yet certainly the need for immediate and continued exploration of adapted and adaptable industries is apparent.

The depressed state of agriculture affords good reason to seek whatever industries that promise economical production and employment for stranded farmers and other jobless laborers. The Southwest has oil and gas in abundance and is making a start toward developing cheap power. However, there are serious obstacles to the establishment of an elaborate program of diversified industry in the Southwest. Careful account should be taken of these obstacles to aid in discovering

† *Ibid*, p. 185.

* Zempel, Arnold, "Regional Variations in Business Cycle in the United States," *Southwestern Social Science Quarterly*, Vol. XX, Sept., 1939, p. 169.

which of them may be eliminated and thus reveal the sphere in which industrial development is practical.

We are far from the consuming markets, a difficulty that can be partially overcome by eliminating the interterritorial freight rate discriminations. Sheer distance will still be a handicap with any likely rate structure. We also lack rich ores and cheap coal, the pillars of heavy industry.

The Census Bureau places the center of population of the United States in southwestern Indiana. The center of manufacturing (value added by manufacture) is in west central Ohio. Likewise, west central Ohio is the center of coal mining. However, the center of metal mining lies in Colorado, the center of lumber cut in eastern Kansas. The Southwest is somewhat nearer the center of agriculture (value of farms) which is located in northern Missouri. In the important industry of fuel production, petroleum production and natural gas, the Southwest is easily the leader. The center of petroleum production is now in the Texas Panhandle, while Oklahoma is the center of natural gas production in the United States.⁹

The center of manufacturing is still far east of the center of population. May it be expected to continue shifting westward? But how much farther westward or southwestward the center of population is destined to move is a moot question. The extractive industries tend to exert a west-southwest pull on population; but against this must be balanced the population recoil from the Southwest due to the depletion of extractive industries, soil erosion, the "dust bowl," etc. The plight of agriculture and the necessity of crop curtailment suggest the probability of a resumption of the recent trek from farms to cities if and when industry finds it profitable to utilize more fully its productive capacity and provide more jobs. It is by no means clear that the surplus farming population of the Southwest can be absorbed in regional industries through greater industrialization under either present, or even less discriminatory, freight rate structures.

The westward movement of industry was perceptible as long as the market, both domestic and foreign, was expanding. However, neither the home market nor the foreign market is now expanding. Another reason why industry for a time moved westward is that capital was

⁹ Goodrich, D. B., and others, *Migration and Economic Opportunity*, University of Pennsylvania Press, 1936, Chapters 6 and 7, pp. 251-314.

formerly less specialized, less expensive, and not nearly so extensively used as it is today.

Regional differences in factor equipment—natural agents, labor, capital, and managerial ability occupy central position with respect to inter-regional specialization and trade. While the Southwest has an advantage in certain raw materials, it is sadly lacking in some of the basic metals in manufacturing. Skilled labor may be available in adequate quantities today, but the supply is not sufficient for intensive industrialization. This deficiency, however, could likely be overcome and is not here regarded as an insuperable difficulty. When it comes to capital, the supply is still concentrated in amount and in control in the North and East, but even the local supply is apparently well in excess of current demand. Yet, even if local credit and capital are plentiful in the Southwest, its cost (interest rates) is still relatively high. Another factor limiting enterprise by local capital and local enterprisers is that certain of our important resources such, for example, as petroleum, sulphur, and natural gas are owned and controlled largely *in absentia*. Such other deficiencies as may prevail in managerial ability and enterprises,¹⁰ may be overcome, it is believed, through greater educational opportunities and facilities, and through constructive alteration of such government policies as tend to discourage business enterprises. Chief among these policies may be mentioned interregional transportation rate discriminations and the relatively burdensome tax load now weighing upon consumption and thus further restricting the business man's market.

It may be recalled that because of freight rate differentials, manufacturing in the Southwest is roughly at a 75 per cent disadvantage in comparison to official territory.¹¹ The primary reason for the original freight rate discrimination no longer exists, since operating costs in the Southwest have been shown to be lower today than those in Eastern territory.¹²

The local market of the Southwest is quite limited even for industries that are regionally adapted and might otherwise be developed. Farmers of the Southwest, as a class, are able to buy precious little other than the bare necessities of life. Moreover, they are dependent upon federal

¹⁰ Caldwell, S. A., "Opportunities for Industrial Development in the South," *Southwestern Social Science Quarterly*, Vol. XX, June, 1939.

¹¹ T.V.A., *Interterritorial Freight Rate Discriminations*.

¹² *Ibid.*

subsidies for a good portion of such meager income as they now receive. It can hardly be successfully contended that lack of regional industry is the primary cause of this condition. The causes lie deeply rooted in the institutional system and can be corrected only through constructive public policy, aimed at the removal of widespread price disparities.

Industry, in the North and East, already has more capital equipment than it can utilize and thus is in a position to lower its prices to meet any possible competition. But the installation of new industrial equipment in a relatively undeveloped area, involves considerable cost. Hence, the ability of the Southwest to compete with Northern and Eastern industry under present conditions is not very promising. Subsidized yardstick projects in various industries to enforce decentralization even if successful would not assure large industrialization in the Southwest or in any other particular area.¹³

Cheap power may be expected to continue to attract Southwestward some of the chemical and electro-chemical industries. But when it is remembered that these industries are essentially satellites of the heavy goods industries, a sudden major shift of these industries seems unlikely.

Cheap fuel, one of the area's chief industrial assets, exerts only a limited pull on industrial location, since fuel costs are estimated to account for an average of only 3 or 3½ per cent of the total cost of production.¹⁴ The mobility of oil and gas, moreover, enables these materials to seek the market rather than pull the market, which consists of population and industry, to them. The development of cheap hydro-electric power is a bid for more industry in the Southwest; but, since various other areas are also developing hydro-electric power, it is not easy to predict the ultimate effect of widely dispersed power development upon the localization of industry. How widely dispersed or concentrated regionally the future industrial structure of the Southwest may be, will depend to some degree upon the distance at which the transmission of electric power may be practical. This distance is still increasing, but only time can tell what it ultimately will be.

It should be clear that there are severe handicaps to an extensive industrialization program in the Southwest, though this is not to say that the program is entirely devoid of promise.

¹³ Woods, Ralph L., *op. cit.*

¹⁴ Goodrich, D. B., and others, *op. cit.*, p. 294.

III

According to Alfred Weber the general locational factors of industry are: (1) transportation costs, (2) the cost of natural agents (rents and raw materials), and (3) labor costs. The location of industry or any given plant will tend to be at that point which, considering all these factors, gives the lowest net cost of placing the good or service in the hands of the consumer. Hence, heavy, weight-losing raw materials tend to pull industry near their deposits or location. But nearness to the point of consumption (population centers) also tends to lower costs and attract industrial plant location. In determining the proper plant location, these factors must be in each instance weighed and balanced against each other. Low labor costs, the third primary locational factor, do not necessarily mean merely low wages. Much of the discussion concerning wage differentials for the South occasioned by the wages and hours law recognizes the importance of this factor. Even when denying the intent of defending the right of the South to pay less than a standard living wage, proponents of industrialization nevertheless point out that the South and West have climatic and economic conditions that may in some instances appear to cause a given money wage to result in a higher real wage than a like money wage in the North would represent. It is suggested that the milder southern climate tends to cause lower rents, lower heating costs, lower cost of clothing, longer or more steady periods of work and factory operation, cheaper food, etc. There is danger that this argument of quite limited validity may be over-emphasized to the economic and industrial detriment of the South and Southwest.

It is believed that the South and West in exerting their influence for such adjustments in national policy as will enable them to utilize their climatic and other natural advantages are also promoting the interests of society generally. If the Southwest and South seek to have: railroad rate discriminations against their section removed, the moderate tariff policy extended, the conservation of natural resources promoted, the tax burden shifted somewhat from the impoverished to those more able to pay, the unemployment problem solved; their battle, even if selfish, is in the public interest. The removal of interterritorial railroad rate discriminations against the Southwest and other areas would remove a serious barrier to regional industrial development. But, what is more important, it would make possible the gradual distribution of industry throughout the country on the basis of geographic advantage. Such a

step would tend to promote greater productive efficiency in all areas by making possible the development of local industry and agriculture wherever and to the extent that the locational factors are present. Economic diversification is to be preferred to regional specialization only in so far as it contributes to efficiency and abundance.

The position of the writer is not that we must now choose absolutely between decentralization and regional diversification on the one hand and regional specialization on the other. Which is the surer and better way of achieving abundance and full employment? Regional specialization in the United States has certain definite economies, though it need not necessarily be continued exactly on the present pattern. Regional industrial adjustments are necessary. The Southwest should continue its quest for adaptable industries. Experience and facts suggest that even with interregional and interstate trade barriers removed or reduced to a minimum, considerable industrial concentration in the North and East will likely continue indefinitely. But with restrictions removed, each area would have the opportunity of developing industries for which it has the resources, the labor, and markets or market outlets. The Southwest's opportunity for realizing maximum economic progress is definitely bound up with the national economy. Hence, regional efforts to attract industry will succeed only in proportion to regional advantage with respect to the locational factors.

This is not to suggest that the locational factors in the Southwest, or in any other area, are in all respects geographic. These factors are partly geographic and partly institutional and therefore subject to human modification. Industrial concentration in the North and East is due to several factors. Important among these may be mentioned geographic advantage or the presence of raw materials, nearness to markets, and the impetus of an early start. Earlier settlement in the northeastern area of the United States greatly affected the contour of the transportation network as it was being constructed. This in turn affected the rate structure and regional rate systems that developed. It is apparent that these factors are today tending to hold this industrial concentration intact.

Whether we wish to preserve the existing contour of the industrial map of the United States or permit it to re-orient itself raises a question of broad public policy, a question of profound importance. This is the question of transportation rates, and especially railroad rates.

It has been observed that industry tends to concentrate at the points

of maximum geographic advantage. However, it is asserted on fairly safe ground that industrial concentration has been furthered by the intra- and interterritorial rate structures. But whatever may cause industry to concentrate in the first place, considerable economies result from such concentration once it is accomplished. These are known as the external economies of large-scale production.

Certain types of capital instruments are separated only at a sacrifice in economy. Hence, greater industrialization of the regions today beyond regionally adapted types virtually forces a choice between a division of the existing industrial structures at the concentration points, thus losing some of the external economies of large-scale production, or else building up duplicate capital structures.

A drastic modification of the rate structures would likely involve at least a moderate shift in industry. Is this advisable? In the long run, yes, for it would assure the gradual reorientation of the industrial map on the basis of the locational factors without artificial restraints. If the industrial centers are already at the optimum location points, then no appreciable decentralization would occur. Such a result would not augur well for highly ambitious regional programs of industrialization.

On the other hand, the adjustment of rates on the "equal access to markets" principle would likely bring about a considerable shift in industry. This would involve temporary social and business costs due to the disturbance occasioned by industrial shifting. Meanwhile, efforts at regional industrialization are economically sound if they are directed at the discovery and development of regionally adapted industries. However, it should be emphasized that wise regional planning is possible only when it is properly related to national planning and to the national economy. In the words of Jonathan Daniels:¹⁵

"Such a plan for a new, free, fed, housed, happy South must include not merely a program at home for improvement but also a program in the nation for the relinquishment of advantages elsewhere over the South. Perhaps those advantages are so deeply fixed as in freight rate and tariff that to change them to give the South a chance might do vast harm elsewhere, might cause much suffering in the areas which have grown rich on advantage, like that which wrings the hearts of Northerners when they see it in the South. Perhaps the South, as New England seems now fearing, may be able to escape its single-slavery to cotton and advance to a diverse industrial and agricultural development despite the imperial advantages which New England took as its loot after the Civil War. . . . But in the South the

¹⁵ Daniels, Jonathan, *A Southerner Discovers the South*, MacMillan, 1938, pp. 344-6.

tyrants and the plutocrats and the poor all need teaching. One of them no more than the others. All are in the warm dark, and whether they like it or not—white man, black man, big man—they are in the dark together. None of them will ever get to day alone."

The supreme economic need of the Southwest, and of any area, is economic opportunity and income for its people. The quest for new industries should proceed, but let our intelligence and our energies also seek the removal of obstacles to economic opportunity in the Southwest. Sound public policy, national and state, will remove the artificial barriers to industrialization in the Southwest. The enterprising people of this country will discover and exploit economic opportunity in industry and in agriculture in the Southwest and elsewhere when inequalities and discriminations are removed.

The real solution of the major national and regional economic problem lies in the orderly development of an efficient and equitable system of distribution. The utilization of existing and potential productive capacity calls for a vast enlargement of markets at home and abroad. This clearly implies larger consumer purchasing power, a moderate tariff policy, and the elimination of price disparities between industries and regions.

Some Aspects of Modern Italian Sociology

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A. Introduction and Plan.

It must be stated in the beginning that this paper only attempts to be a preliminary presentation of the theme. To the writer's knowledge there exist only two first-hand treatises on Italian sociology,¹ but they deal rather with Italian social sciences than with sociology itself. One, by Giuseppe Fiamingo dates back to 1895; the other was written by Robert Michels in 1924/25.²

In the first part of this paper I shall try to give a short outline of the great number and variety of Italian studies which have to do with sociology in the broadest meaning of the word; in the second part I shall make some theoretical remarks on the interpretation of foreign sociological literature, with special reference to Italian sociology.

B. Material for a Study on Modern Italian Sociology.

I. Institutionalized Sociology and General Character of Italian Sociology.

There is practically no institutionalized sociology in Italy, nor has there ever been any. The limited number of sociological courses which have been taught at Italian universities, have been given, with quite insignificant exceptions, by *chargés de cours*, and not by regular university instructors;³ and the sociological works which have appeared in Italy were written not by professors of sociology but by other profes-

¹ H. E. Barnes and H. Becker, *Social Thought from Love to Science* (1938), Vol. II, Chapter XXV, Sociology in Italy, is partly first-hand, but largely based on Michels (*cf.* next note); specified indications of sources, Notes, p. XXIX, note 1. It is a very valuable presentation for American readers.—Indication of sources of the present paper, see note 68.—Italian sociologists who have left Fascist Italy are not considered, mainly because they do not write in Italian.

² Giuseppe Fiamingo, "Sociology in Italy," *The American Journal of Sociology*, I (1895), p. 335 ff.—Robert Michels, "Elemente zur Soziologie in Italien," *Kölner Vierteljahrshefte für Soziologie*, III (1924), p. 219 ff.; Robert Michels, "Nachtrag zu 'Elemente zur Soziologie in Italien,'" *ibid.*, IV (1925), p. 331.

³ As far as the writer knows only De Marinis held a chair as professor of sociology (in Naples); Lorenzoni gives (at least up to 1936; has possibly continued) sociological courses in the "Alfieri" institute connected with the University of Florence, but is professor of political science; on other courses see Michels, *loc. cit.* Of course, many professors of philosophy, law, history, *etc.*, occasionally treat sociological problems.

sors, or by other professionals, or by private scholars.⁴ Pareto was a professor of sociology, but did not teach in Italy.⁵

The non-existence of sociology as an institutionalized autonomous science is characteristic of Italian sociology. Another characteristic is the quite insignificant number of works which try to establish a sociological system as such.⁶ The reason for both phenomena can be understood by examining Italian political, economic, and social history which provoked a predominant interest in political, economic, and social issues of the various historical periods. We have only to remember the struggle for supremacy between the papal and the secular government, the efforts to liberate Italy from foreign domination, the long fights for national unification. Abstract sociology was left to private individuals.⁷

By the time other nations had taken up sociology in a way which to a great extent was detached from political necessities and concerns, Italy was still primarily engaged in her political problems. Her solution was fascism. Sociology under fascism has practically been reduced to certain branches such as demography,⁸ which is a rather old Italian tradition, and racial biology,⁹ which can hardly be called a branch of sociology any more. Primarily both serve fascism,¹⁰ although some valuable studies have been published that are politically neutral.¹¹

⁴ E.g., Angelo Maiorana (jurist and economist), Mariano Patrizi (physiologist), Pio Viazi (jurist), Napoleone Colaianni (statistician), Adolfo Asturaro (philosopher), Achille Loria (economist), Pasquale Rossi (physician), Fausto Squillace (private scholar), and many others.

⁵ Pareto was professor of economics and sociology at the University of Lausanne (Switzerland), from 1894 to 1919.

⁶ De Marinis, *Sistema di Sociologia* (1901); Cosentini, *Sociologia* (1912); Groppali (cf. *American Journal of Sociology*, XI, 135), Rignano (cf. *ibid.*, XXXIV, 429,605), and others. Cf. Michels, *op. cit.*, p. 222; Barnes and Becker, *op. cit.*, p. 1004.

⁷ We should consider sociologists, and particularly Italian sociologists, in relation to their time. Pareto is a good example of the fertility of such an approach (see especially Franz Borkenau, Pareto, 1936; p. 19 f., 164 ff., as a forerunner of fascism)—although it has been said of him that he was of no value to sociology (Ellsworth Faris, "An Estimate of Pareto," in *The Nature of Human Nature*, 1937, p. 201).

⁸ E.g., Corrado Gini who, however, has long been a specialist in statistics and demography. His first book appeared in 1908. Cf. P. Sorokin, *Contemporary Sociological Theories* (1928), p. 422 ff.; Barnes and Becker, *op. cit.*, p. 1023 ff.

⁹ E.g., Nicola Pende; the tendency is most instructively expressed in the semi-monthly *La Difesa della Razza* (since 1938, editor has been the journalist and writer Telesio Interlandi).

¹⁰ Cf. *Encyclopedia of the Social Sciences* (ed. 1937), Introduction, Part II, "The Social Sciences as Disciplines, V. Italy. II. Italy Under Fascism," by Herbert W. Schneider (Vol. I, p. 277 ff.).—Various works on the Corporate State, especially by Arias, are significant expressions of the new social order.

¹¹ E.g., R. Bachi, *La mobilità della popolazione all'interno delle città europee* (1934), a very valuable urban mobility study; A. Fossati, *Il pensiero e la politica sociale di Camillo*

In spite of what has been said on institutionalized sociology, there existed for more than twenty years a sociological review of excellent international reputation, the *Rivista Italiana di Sociologia*, which died with its chief editor Cavaglieri in 1919.¹² The "Istituto Internazionale di Sociologia e di Riforme Politiche e Sociali" was founded in 1919 by Francesco Cosentini but finally had to yield to the older French "Institut International de Sociologie."¹³

II. Main Trends and Interests in Italian Sociology.

1. Positivism and Biologism.

Roberto Ardigò was the first Italian to use the term "sociology" in his *Sociologia* in 1879.¹⁴ He was imbued with the positivism of Comte but stressed the necessity of psychology in all approaches to social problems.¹⁵ Others made Comte's sociology the subject of their studies.¹⁶ A second influence in the latter part of the last century was exercised by Darwin. His doctrines led Colaianni and Vaccaro to the observation that the law of natural selection cannot be applied to the social sphere. Their combined interest in the Darwinian doctrines and in the fate of the lower social classes determined the form of their social theories.¹⁷ This interest gives Vaccaro a chance to observe that in his time the distribution of property has turned Darwin's law of natural selection upside down: the weak but wealthy are kept alive and the strong but poor are destroyed: natural selection is replaced by an unnatural one.¹⁸

2. Historical Materialism in Italy: Economic Determinism.

In Italy even before Marx political interest produced ideas similar to those of Marx;¹⁹ and historical materialism was accorded a hearty wel-

Cavour (1932), a consideration of the social aspects of Cavour's statesmanship; A. Nicèforo, *Il metodo statistico. Teoria e applicazione alle scienze naturali, sociali, all'arte* (1931), a treatise on statistics; and various others.

¹² The editors were the jurist (!) G. Cavaglieri and the anthropologist (!) G. Sergi. The magazine existed from 1896-1919. Various scientific periodicals as *Metron*, *Scientia*, *Rivista Internazionale di Scienze Sociali e Discipline Ausiliarie*, occasionally contain sociological articles. Cf. Barnes and Becker, *op. cit.*, p. 1027 ff.

¹³ Ferdinand Tönnies, "Der internationale Soziologentag in Rom," *Kölner Vierteljahrshefte für Soziologie*, IV (1924), p. 118 ff.; F. Cosentini, *Zur Vorgeschichte des internationalen soziologischen Instituts in Turin*, *ibid.*, p. 121 ff.; Barnes and Becker, *op. cit.*, p. 1028.

¹⁴ A later positivist is Francesco Cosentini (see note 6).

¹⁵ See also his earlier *Psicologia come scienza positiva* (1870).

¹⁶ E.g., E. Fornelli, E. Rignano (cf. Michels, *op. cit.*, p. 221).

¹⁷ N. Colaianni, *Il Socialismo* (1884).

¹⁸ M. Vaccaro, *La lotta per l'esistenza e i suoi effetti nell'umanità* (1900).

¹⁹ Remarkable is Giuseppe Pecchio's *Dissertazione sino a qual punto le produzioni scientifiche e letterarie seguano le leggi economiche delle produzioni in generale* which ap-

come in the later decades of the last century. Its outstanding representative was Achille Loria, the founder of the free-land theory. He maintained that modern man does not depend on the machine but on land; that the existence or non-existence of free land determines the form of every economic and social system.²⁰ Benedetto Croce is the most outspoken Italian idealistic opponent of historical materialism in any of its forms.²¹

3. Juristic Philosophy and Criminology.

Interest in the philosophy of law has led to a positivistic identification of sociology with juristic philosophy (Ardigò),²² as well as to the idealistic exclusion of sociology from juristic philosophy (Petrone).²³ Among the studies on the history of law, Solmi's *treatise on the history of Italian law*²⁴ shows a somewhat sociological approach. The application of the socialistic viewpoint to the consideration of law brought forth a vivid discussion in which Vivante and Panunzio, among others, had engaged. Vivante studied the influence of socialism on private law,²⁵ Panunzio made an appraisal of juristic socialism.²⁶ Enrico Ferri,²⁷ rather radical in a Lamarckian sense, Raffaele Garòfalo,²⁸ rather conservative, and the anthropologist Enrico Morselli,²⁹ are the founders of that

peared in 1852, 15 years before Marx's *Capital*. But 26 years before his work was published he had already given a materialistic answer. Cf. Michels, *op. cit.*, p. 224.

²⁰ Especially: Achille Loria, *Le basi economiche della costituzione sociale* (1893). Cf. Barnes and Becker, *op. cit.*, p. 1010 ff. Gino Arias, *La sintesi economica. Analisi dell'opera di Achille Loria* (1911).

²¹ *Le teorie storiche del prof. Loria* (1897), which is part of a later collection of studies on historical materialism, *Materialismo storico ed Economia marxista*. Croce, the "patriarch among the literary and philosophical critics," who is now in his early seventies, has among his fertile and varied production also two small historical (not sociological) community studies (*Montenerodomo*, *Pescasseroli*, published like all other works of his at Laterza, Bari). These two little studies are noteworthy here because they show a typically Italian approach towards the study of a community, which has a sharp contrast in American sociological community studies as exemplified, e.g., in Lynd's *Middletown* books.

²² In his *Sociologia*, l.c. Cf. "Ardigò, Roberto," art. by Alessandro Levi in the *Encyclopedia of the Social Sciences* (1937), II, p. 181.

²³ *La sociologia e la sua elisione logica nella filosofia dello Spirito* (*Atti della R. Accademia di scienze morali e politiche di Napoli*, 1906). It was in the Neapolitan Academy that Petrone raised the question whether or not sociology was an autonomous science (cf. *Della sociologia come scienza autonoma*, l.c.). Cf. Michels, "Nachtrag . . .," *op. cit.*, p. 331.

²⁴ Arrigo Solmi, *Elementi di storia del diritto italiano* (1908).

²⁵ Cesare Vivante, *L'influenza del socialismo sul diritto privato* (1902).

²⁶ Sergio Panunzio, *Il socialismo giuridico* (1907).

²⁷ La scuola criminale positiva (1885).

²⁸ *Criminology* (Boston, 1914, revised American ed.).

²⁹ *Sociologia criminale e psicologia forense*. Cf. also C. E. Aroldi, *Sociologia criminale* (1903).

branch of sociology which is one of the most original Italian contributions to our science, criminology. Cesare Lombroso's significance is well known. Whereas Lombroso developed the theory of the physiological peculiarity of criminals, Alfredo Nicèforo tried to determine biological characteristics of the "propertyless classes," and he was convinced that there certainly is an anthropometric difference between rich and poor.³⁰

4. Social Types, Psychology of the Masses, and Psychology of Organized Masses.

Some of the various monographs on social types could as well be treated under the heading of criminology, but it seems clearer to review them with other studies of social types. It is interesting to observe that types of the lower social classes have received more attention than those of the higher. The emigrant, for a long time a typical and important element of Italian social structure, and Italian emigration as such, have been studied by Coletti,³¹ the *déclassé* by Arcoleo and Sighele,³² the vagabond by Cavaglieri and Florian,³³ the ignorant "have-not" by Morasso.³⁴ The middle classes were studied from a political viewpoint, especially by Ellero and Turiello.³⁵ Both of these were closer to the liberal literary and political movement of nineteenth century Italy than to a sociological approach. Loncao's study of the rise of the Sicilian bourgeoisie,³⁶ however, has much more to do with sociology. Monographs on the revolutionary,³⁷ the persecuted,³⁸ the orator,³⁹ are on the borderline of studies in mass psychology, a field intensively cultivated in Italy. The main works in general mass psychology are those of Rossi, Bianchi, and Sighele.⁴⁰ Long

³⁰ Alfredo Nicèforo, *Anthropologie der nichtbesitzenden Klassen* (1910, transl. from the manuscript).

³¹ Francesco Coletti, *L'emigrazione italiana* (1911).

³² G. Arcoleo, *Forme vecchie, idee nuove* (1909); Scipio Sighele, *Intelligenza della folla* (1903). Cf. Michels, *op. cit.*, p. 230.

³³ G. Cavaglieri (cf. note 12) and E. Florian, *I vagabondi* (2 vols., 1907).

³⁴ Mario Morasso, *Contro quelli che non hanno e non sanno* (1901).

³⁵ Pietro Ellero, *La Tirannide borghese* (1879); Pasquale Turiello, *Governo e governati in Italia* (2nd ed., 1889). Cf. Michels, *op. cit.*, p. 230.

³⁶ Enrico Loncao, *Considerazioni sulla genesi della borghesia in Sicilia* (1900). Because of the scarcity of monographs on geographically limited areas, Giovanni Pinnaferri's sociological study of Sardinia may be mentioned here although its contents place it elsewhere (*Orientazioni sociologiche della Sardegna*, 1898).

³⁷ Again G. Arcoleo in a chapter of his *Forme vecchie, idee nuove, l.c.*, and the doctor Pasquale Rossi (cf. note 4), *I suggestionari e la folla* (1902). Cf. Michels, *op. cit.*, p. 230.

³⁸ Likewise P. Rossi, *I perseguitati* (1894).

³⁹ G. Prezzolini, *L'arte di persuadere* (1907); A. Maiorana, *L'arte di parlare in pubblico* (1909); M. Patrizi, *L'oratore* (1912).

⁴⁰ P. Rossi, *Psicologia collettiva* (1900); R. Bianchi, *Problemi di psicologia sociale* (1901)—note that seven years before McDougall the term "social psychology" was used in Italy—; S. Sighele, *I delitti della folla* (1910).

before them, and even before the French Gabriel Tarde and his *lois de l'imitation*, Carlo Cattaneo⁴¹ studied parliamentarianism as a phenomenon of mass psychology.⁴² Livio Minghuzzi developed a theory of public opinion.⁴³ The influence of Georges Sorel, whose *Réflexions sur la Violence* appeared in Italy⁴⁴ earlier than in France, is manifest in the works of Missiroli, Burzio, Leone, and Labriola, Minister of Labor in 1919.⁴⁵ The study of political parties is a special branch of the study of mass psychology. Gaetano Salvemini shows an excellent sociological and historical approach in his book on political parties in the Milan of the nineteenth century;⁴⁶ more generally, political parties and their development were studied mainly by Colaïanni and Michels.⁴⁷ Gaetano Mosca's *Elementi di Scienza Politica*,⁴⁸ goes beyond the study of mass psychology and is an important attempt to establish sociological laws directing the formation and duration of governments. Mosca's thesis is that the majority is incapable of governing and that even revolutionary mass governments quickly lead to the formation of a capable minority that takes the government in its own hands. His work appeared in 1896, twenty years before Pareto's, and it is an open question whether Mosca's ideas influenced Pareto, particularly in his conception of the rôle of the élite.⁴⁹

5. Minor Contributions.

Before coming to Pareto, there must be mentioned a few branches and studies among the great number of works which could be considered as pertaining to sociology and which treat of the most varied subjects. Viazzi, Mieli and others have studied sexology.⁵⁰ Statistics and

⁴¹ Carlo Cattaneo's *Psicologia delle menti associate* (1859) was the first Italian work on mass psychology (Cf. Michels, *op. cit.*, p. 230).

⁴² *Contro il parlamentarismo. Saggio di psicologia collettiva* (1895). Other studies of parliamentarianism by Maiorana (1885) and Marazio (1904). Cf. Michels, *op. cit.*, p. 236.

⁴³ *La teoria della opinione pubblica nello stato costituzionale* (1893).

⁴⁴ Palermo, 1904 (Paris, 1908).

⁴⁵ Mario Missiroli, *La Satrapia* (1914); Filippo Burzio, *Politica Demiurgica* (1923); Enrico Leone, *Il Sindacalismo* (1917); Arturo Labriola, *Il socialismo contemporaneo. Lineamenti storici. Con Appendice: La dittatura del partito e i problemi economici del socialismo* (1922) are the most significant works among various others. Sorel's influence on Mussolini is known.

⁴⁶ *I partiti politici Milanesi nel secolo XIX°* (1899).

⁴⁷ N. Colaïanni, *I partiti politici in Italia* (1912); R. Michels, *Sociologia del partito politico moderno*, transl. *Political Parties* (New York, 1915).

⁴⁸ 1896, 2nd ed., almost doubled, 1923.

⁴⁹ See Barnes and Becker, *op. cit.*, p. 1023.

⁵⁰ Pio Viazzi, *La lotta di sesso* (1900) shows how the man-woman relation brings forth an organic antagonism active in all fields of human life. Other studies of sex problems by

demography have a considerable number of representatives.⁵¹ Elements of a kind of physiological sociology may be found in Angelo Mosso's monographs on anxiety, on pain, and on fatigue.⁵² Lombroso's daughter has put forth a theory on the advantages of degeneration;⁵³ a less sensational and much more thorough theoretician of degeneration is Giuseppe Sergi.⁵⁴ Emanuele Sella has studied extensively the phenomenon of competition;⁵⁵ Carlo Cassola that of publicity.⁵⁶ Fausto Squillace made an unsuccessful but courageous attempt to create a dictionary of sociology.⁵⁷ His history of sociological theories,⁵⁸ on the other hand, is a valuable and clear survey of the sociological theories up to his time. Probably the earliest of the very few surveys on contemporary sociology was made by Scilio Vanni in 1888, in the days of the conflict between Comte and Stuart Mill.⁵⁹ There is extensive Italian literature on economic and financial questions, some items of which are interesting to the sociologist.⁶⁰

C. Pareto Used as an Example for a More Intimate Understanding of Italian Sociology.

I. Pareto in America.

It is unnecessary to describe the theories of Vilfredo Pareto, who, since he is one of the very few Italian sociologists who are well known in this country, is probably the most interesting. Pareto is taken exclusively as an example revealing the difficulties of understanding Italian sociology, and he has been chosen, because he has aroused so much discussion here.

The reason for this is doubtless the title of his work, *Treatise on*

Foa, Casalini, Berta. In 1921 the magazine *Rassegna di studi sessuali* was founded (ed. A. Mieli). Cf. Michels, l.c., p. 229.

⁵¹ The first economists and statisticians interested in demography were Antonio Genovesi, Giammaria Ortes, and Melchiorre Gioia, in the late 18th and the early 19th century. Important Corrado Gini (cf. note 8), *I fattori demografici dell'evoluzione delle nazioni* (1912); *Nascita, evoluzione, e morte delle nazioni* (1930); cf. Barnes and Becker, *op. cit.*, p. 1023 ff., esp. note 65; Filippo Virgili, *La statistica nella odierna avoluzione sociale* (1913).

⁵² *La paura* (1886); *L'espressione del dolore* (1889); *La fatica* (1894).

⁵³ Gina Lombroso-Ferrero, *I vantaggi della degenerazione* (1904).

⁵⁴ Giuseppe Sergi, *Le degenerazioni umane* (1889); "L'influenza dell'ambiente sui caratteri fisici dell'uomo," (*Rivista Italiana di Sociologia*, 1912); cf. Sorokin, *op. cit.*, p. 132.

⁵⁵ *La Concorrenza* (2 vols., 1914-16).

⁵⁶ *La reclame dal punto di vista economico* (1909).

⁵⁷ *Dizionario di sociologia* (2nd ed., 1911).

⁵⁸ *Le dottrine sociologiche* (1902).

⁵⁹ *Prime linee di un programma critico di sociologia*; cf. Fiamingo, *op. cit.*, p. 347.

⁶⁰ Cf. Michels, *op. cit.*, p. 224 f., 226.

General Sociology,⁶¹ which, together with its enormous size, led one to expect an important Italian sociological theory, about which American sociologists were eager to learn. It was finally made readily accessible through an even more voluminous translation.⁶² As soon as the translation came out, late in 1934, almost twenty years after the original had been published, a violent discussion arose,⁶³ and critics of Pareto became his embittered enemies or admiring eulogists.⁶⁴ All this, of course, is well known. But it is worth while to note that the attitude which was taken towards Pareto's work by both antis and pros is, setting aside the effort to understand the difficulties inherent in the style and in the confusion of thought and organization of his work, not primarily the attitude of understanding, but rather that of attacking or defending.

II. Immanent and Sociological Interpretation.

The writer proposes as an approach towards intellectual productions, and particularly towards foreign sociology, an approach which is based on the sociology of knowledge. It seems strange that such an approach, which interprets manifestations of knowledge with respect to sociological implications, should have played so insignificant a part in the considerable discussion on Pareto. In fact, there appears to be no criticism determined by it, except Harry Moore's "Folk Implications in Pareto's Sociology,"⁶⁵ and yet, the sociology of knowledge is not at all unknown in this country. However, the short and impressive essay by Karl Mannheim on the ideological and sociological interpretation of intellectual productions,⁶⁶ deserves more attention. It shows that we

⁶¹ *Trattato di sociologia generale* (1916); French transl., *Traité de Sociologie Générale* (1917); Engl. transl., *The Mind and Society* (4 vols., 1935).

⁶² See Barnes and Becker on American sociologists acquainted with Pareto before the English transl. appeared (*op. cit.*, Notes p. XXXI f., note 58); above all: Sorokin, *op. cit.*, pp. 37-62.

⁶³ See especially four articles by McDougall, Murchison, Tufts, and House in *Journal of Social Philosophy*, I, 1 (Oct. 1935), and a "Paretian analysis" of these articles by F. Creedy (*op. cit.*, I, 2, January 1936).

⁶⁴ "Anti" paretians: McDougall, *op. cit.*, Murchison, *op. cit.*, Faris, *op. cit.*; "pro" paretians: Bousquet, L. G. Henderson, and others. Barnes and Becker, *op. cit.*, Notes p. XXXII, note 62, give an extensive bibliography of literature on Pareto.

⁶⁵ *Social Forces*, XIV (1935), pp. 293-300.—The closest approach to sociology of knowledge in the American treatment of Pareto *in toto* are Talcott Parsons' chapters on Pareto in his *The Structure of Social Action* (1937), pp. 178-300. Still his method is rather *ideengeschichtlich* than *wissenssoziologisch*. See about the sociology of knowledge (*Wissenssoziologie*) *ibid.*, p. 480; and particularly about a *wissenssoziologischen* approach in connection with his study, p. 26-27.

⁶⁶ Karl Mannheim, "Ideologische und soziologische Interpretation der geistigen Gebilde" (*Jahrbuch für Soziologie*, Vol. II, Karlsruhe, 1926). A translation of this article is recommended.

are usually neither conscious of our interpretations nor do we recognize the fixed judgments we bring along in considering an intellectual production. Mannheim distinguishes two main types of interpretation: the ideological or immanent interpretation, which remains in the horizon of the examined work and tries to understand it from within; and the sociological interpretation from without, which tries to understand the examined work considering traditions in the branch of knowledge to which the work belongs, traditions of broader intellectual and moral currents of which it is a part, and considering the various social groups (family, generation, occupation, religion, people, "time," etc.) of which its author is a member. It is characteristic of the immanent interpretations that they involve value-judgments, whereas the sociological interpretation tries as consciously as possible to exclude value-judgments.⁶⁷

III. Misunderstandings in the Approach towards Foreign Sociology.

An adequate interpretation of a book on sociology written in a foreign language is difficult mainly because of a misunderstanding that sounds trivial but is important. This misunderstanding is due to the misconception that a book by Cosentini or Max Weber should be approached in the same way as an American book on sociology.

1. Definite Sociology, an Unconscious Agreement.

The reason for this error seems to be a kind of unconscious agreement that sociology is something imposed upon us from heaven, with which each deals as with a definite thing, and the difference among the various sociologists lies simply in the difference of the individual minds. But is sociology so definite? Has it not developed and is it not developing according to the most varied intellectual and social and other conditions? Is sociology not rather merely a term that has been found to express those conditions, after much trouble and hard labor?

2. Neglect of Language and of the General Background of the Author.

Another point sounds even more trivial but is of at least as great an importance as the consideration of sociology as a living phenomenon.

⁶⁷ Cf. esp. Max Weber, "Der Sinn der 'Wertfreiheit' der soziologischen und ökonomischen Wissenschaften," *Logos*, VII (1917/18); Eduard Spranger, *Der Sinn der Voraussetzungslosigkeit in den Geisteswissenschaften* (1929); Alexander von Schelting, *Max Webers Wissenschaftslehre* (1934), esp. pp. 58-64, 247-254; Barnes and Becker, *op. cit.*, p. 896-898, on the intensive discussion of the problem of social science free of value-judgments in Germany during the first decades of this century.

It is the mere fact that the author writes in a foreign language. The writer goes so far as to maintain that the very language is an author's most intimate element. Everybody knows that numbers of American words cannot be translated into French or German, and vice-versa; or that the colloquial character of other words changes into something extraordinary and artificial when translated; or that words whose literal translation sounds exact, suddenly take on quite a different color in a certain context. One has an impressive example of the essential significance of language in the conception of seeming identities if one compares the articles on sociology (or on other subjects) in a French, Spanish, German, Italian, and even British encyclopedia, with the same article in an American publication. It seems to the writer that the true merit of a translation is in its revelation of the difficulties of the original. The translation awakens in the reader an effort for a better understanding of the sphere in which the author belongs, where he is at home. The fact that we do not ourselves usually know where we are at home, that is, how our own background is conditioned, explains perhaps why we do not even ask whether that of somebody else might be different, or why we do not even suspect that an author's scientific work may be touched by his own background.

IV. Appraisal of the Present Paper and Prospects for Further Studies.

The facts about Italian sociology mentioned in this paper may be summarized as follows: a practically complete lack of institutionalized sociology; not sufficient interest to keep alive a sociological review; various sociological tendencies imbued with biological, political, juristic, criminologicistic interests; the outstanding phenomenon of Pareto; and the imprint fascism has given to social science.

A study of Italian sociology based on the sociology of knowledge would, in the opinion of the writer, come up to our highest expectation of performance of sociology. Italian sociology is particularly adapted to such a study, with special emphasis on the difference between immanent and sociological interpretation of its productions, for two reasons. First, because the study of Italian sociology, which is relatively little known, would hardly be biased by previous treatises; and second, Italian sociology is a clear example of the importance of social implications manifest in sociological performances. Such a study, of course, would require considerable effort and much patience. We do not yet have a routine technique in the sociology-of-knowledge approach. Our

efforts might lead to the finding of such a routine technique, which would combine greater consciousness with technical practicability. Without the initial labor, however, such a future routine would not be as thorough as our theoretical findings have taught us to be.^{68 69}

⁶⁸ The sources of this paper are Italian experience and study, letters, and the studies mentioned in text and notes. Michels, and especially Barnes and Becker are quoted only if they are a source or add to what is said in the text of the paper, or confirm it, but not for each single instance of mere coincidence. It is natural that in this short and preliminary paper numbers of names and studies remained unnoticed; Michels and Barnes-Becker give much additional information and literature.

⁶⁹ The most important publications concerning Italian sociology which have appeared in *The American Journal of Sociology* are an article by Eugenio Rignano ("Sociology, Its Methods and Laws," XXXIV, 429, 605), two necrologies (Rignano; XXXVI, 282; R. Michels; XLII, 745), and the following reviews: A. Groppali, *Elementi di Sociologia* (XI, 135); G. Sarfatti, *Psicologia Sociale* (XVIII, 851); F. Savorgnan, *La Guerra e la Popolazione* (XXIV, 338); P. Luzzatto Fegiz, *La Popolazione di Trieste* (XXXVI, 170).

The Swedish Pattern of Responsible Government

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The "incredible Swedes," because of their social advancement in an industrial age without resort to revolutionary shortcuts of communism or fascism, have attracted enviable attention in those countries professing democratic ideals. Yet the Swedes probably are no closer to godliness than are other peoples—unless, perhaps, it be by way of the alleged affinity of cleanliness—and accordingly it may well be asked, why the Swedes rather than some others. One explanation is that Sweden, somewhat like England, has been so far isolated from restless and suspicious neighbors that it could quietly experiment without serious interruption. Now that isolation is no longer possible, another explanation, though historically dependent on the first, is of far greater significance in the midst of to-day's uncertainties. This explanation is to be found in the nature of the Swedish constitution in force since 1809. Although, as one might suspect, that instrument has been considerably altered, probably as much in the spirit as in the letter, it has supplied a firm but more or less adaptable governmental form for the efficient administration by public authority of those social experiments found to be politically feasible. This is, of course, quite in defiance of Pope's couplet and oft-quoted aphorism about fools and forms of government, but it is true nevertheless. The excuse usually offered for ignoring the nature of the Swedish, or of any other Scandinavian, government is that Sweden, with only six and a quarter millions of people, is too small to offer any lessons to a country boasting many times its population and area. But the correctness of this assumption is subject to challenge, for size alone has very little bearing on the validity of political comparisons. The Swedish constitution is worth noting, not so much in its specific wording as in the principles of governmental operation possible under it, for therein have social ends been served.¹

In general parlance, Sweden is a monarchy, with a popular king and

¹ Numerous comments herein as to the operation of various features of the Swedish constitutional system are based on personal observation and on conversations with Swedish officials, university professors, journalists, and other citizens.

a still more popular crown prince. It is a limited monarchy, to be sure; in fact, decidedly limited because of a deeply ingrained adherence to the "rule of law." It can likewise be said that the government is *parliamentary* rather than presidential or congressional in its functional allocation of governing powers, in that the ministry is responsible to parliament; that it is *unitary* rather than federal in its geographic distribution of lawmaking and administrative powers; that it is *representative*, with *proportional representation* governing all elections; that it has a two-chambered law-making body as have most other countries. And it may further be remarked, among general considerations, that judicial power to annul an act of the representative parliament is non-existent. These general terms, however, understood with some degree of accuracy much like the terms "cow," "cat," or "dog," are yet of not much more help to the understanding than when "dog" alone is said rather than "poodle" or "bloodhound." Just as in other countries, much of historical significance peculiar only to the country concerned is to be understood in the application of these terms, and because of this, and much to the relief perhaps of those who dislike the imitation of foreign political systems, the forms of Swedish institutions could not easily be copied by any other country. They present too many encrustations of tradition to be borrowed; yet, regardless of such a possibility, Swedish political institutions throw light on other systems handling similar modern problems. It is in the underlying principles as related to these outward forms that one must look for instruction.

The first such principle is that of high concentration of ultimate political power in a single place and in a single authority—not in a single person but in a single agency; not according to the strict wording of the constitution but in its natural operation. This centralization geographically is in Stockholm—not that governing power is denied to regional and local governments, for the Swedes pride themselves on the range of their local government activity, but rather that, in any field, should the need arise for national governmental regulation or administration, no constitutional barrier stands in the way of national action. The only proviso in that is that the government must find general public support for its action, and this proviso is in the nature of the constitutional system as a whole rather than in constitutional verbiage. Thus is Sweden spared the embarrassment suffered in the federal systems of the United States, Australia, and, recently, Canada, by the existence of a "no man's land" between the authority of the national

government on the one hand and of the federal units on the other. Functionally, and again despite the strict words of the written constitution which embodies something of the eighteenth-century notion of the separation of powers, political authority is centered, not only in Stockholm, but in the representative parliament, *Riksdag*. It is not divided between king and parliament, or between ministry and parliament, but is strictly in parliament itself as a representative body. Consequently, in Sweden no playing of executive against legislature is possible as it is in the case of a veto-wielding, independent president. The ministry, headed by the prime minister, leads, of course, and all administration is carried on, and all laws are promulgated, in the name of the king; but, it is all done under the permission, authority, and ultimate control of parliament—actual control and not merely acquiescence. Moreover, not only may no agency, such as a court, overthrow what parliament has done, but the constitution stipulates that no interpretation of the fundamental laws is to be valid unless adopted by way of amendment to those laws, requiring passage by two regular sessions of parliament. Included in these fundamental laws are: the constitution itself, and three other organic acts governing parliament, the succession to the throne, and the freedom of the press.² And, except for the division of authority on the basis of time as just noted for constitutional amendments, and despite the division of parliament into two chambers, the constitutional arrangements are such that parliament can, must, and does act as a unit in the expression of this authority in the governance of Sweden. *Riksdag's* expression is the last word.

The second feature of Swedish government fundamentally important for social legislation is that it is highly representative—not through the election of such administrative officers as governor or sheriff, for such are not elective, but through the application of the principle of proportional representation in the popular election of all policy-forming assemblies from the houses of parliament (modified only by the indirect election of their upper chamber or senate) to provincial or county and local municipal councils. The voters are men and women alike who have attained the age of twenty-three. Since the elections are conducted

² *Regeringsformen* (constitution or form of government) is usually the only one of these documents which finds its way into edited collections of national constitutions. The other titles are, respectively, *Riksdagsordningen*, *Successionsordningen*, and *Tryckfrihetsförordningen*. All four of these basic laws are, together with related statutes, reproduced with annotations in Robert Malmgren's *Sveriges Grundlagar och Tillhörande Författningar*, 3d ed., Stockholm, 1937.

proportionally, each political party, or politically organized group offering candidates as a political party, is represented by exactly that number of its members, in local councils and in the "second" or popular chamber of parliament, which its popular voting strength entitles it to have. Since proportional representation requires larger electoral areas, the Anglo-American notion of petty-district representation, one member one district, does not obtain. The two hundred thirty members of this chamber are elected at the same time for a term of four years—subject only to a remote possibility of earlier dissolution. Even the "first" chamber as they call it, or "senate" as they are inclined to translate it, is elected according to proportional representation, but, in this case, indirectly by county councils in the rural areas and by specially elected electors in the larger cities. Only one-eighth of the one hundred fifty members of the senate are elected each year, and for eight year terms—so that it will not be too responsive, as it is often stated, to impulsive popular movements. But proportional representation has promoted a relatively consistent voting habit among the Swedish people, with the result that by 1938 the popular chamber of parliament and the various councils and electoral bodies for the senate came to have a very similar party complexion.

An American is at once inclined to suspect that the existence of two chambers possessing equal authority probably vitiates representation to some extent and divides authority, but his suspicions are very largely allayed when he sees the arrangements whereby the two chambers are almost bound to cooperate. The first of these is structural and was written into the constitution as representing the practice through several hundred years of experience. For parliament previous to 1866 was composed of four estates, and they cooperated, in counterbalancing the authority of the king, by means of joint committees that came to be very powerful. With the constitutional change in 1866, establishing the two-chamber parliament, the provision for joint committees was retained. After a slight modification in 1937, the number of standing committees (*utskott*, as distinguished from their administrative *kommitté* is limited to eight, each having an equal number of members from each chamber who vote individually, or according to party understandings, rather than as members of their respective assemblies.³ An approach to this kind of committee cooperation between the houses in the United States

³ The standard work on Swedish parliamentary committees is Herbert Tingsten, *Utskottsväsendet*, Stockholm, 1934. (Vol. XI of *Sveriges Riksdag*).

is found only in New England legislatures, especially in the General Court of Massachusetts. Even joint sittings, and reports, of two of these joint committees are not uncommon in Sweden.⁴ Every bill must pass through the hands of one of these joint committees and be reported back with some kind of recommendation, whether for passage, amendment, or defeat. The election of these committees by the chambers is conducted in a manner to reflect proportionate party strength, and each political party on its own behalf organizes as a joint conference rather than, as in the United States, into separate caucuses for each house.

A further device, procedural rather than structural in this case, prevents deadlocks between the houses on financial matters. If they disagree on the budget, an additional vote may be taken by each, and the votes thus taken are counted together as though of one house. In this, of course, the popular chamber has the numerical advantage and most, though by no means all, of the votes so taken have been in favor of the wishes of that body. What constitutes a financial measure on which the popular chamber may in this manner inflict its will on the other is, however, an unsettled question in constitutional law and is as yet, and perhaps must remain, subject to the exigencies of political strategy, but hesitancy on the part of the senate to pass a non-financial measure until its wishes are met on a financial bill is rare. The force of representation is, consequently, not dissipated seriously between the two houses.

But the Swedish government is representative to some degree in other ways than through formal parliamentary membership. The high concentration of power in parliament permits that body to feel free to delegate some limited rights of rule-making affecting a few private associations to the associations themselves.⁵ While this kind of adjustment to representative interests is not general, it is a modest step in the direction that NRA was taking with ambitious strides. Delegation, mentioned later, of most legislative research and drafting to special and temporary administrative commissions has permitted the Swedish ministry to include on such commissions not only specialists but also the spokesmen for special interests. It is natural that the ministry should attempt to appoint those persons whose cooperation would probably draw the sting from subsequent parliamentary criticisms.

⁴ *Riksdagsordningen*, Sec. 47, in Malmgren, *op. cit.*, p. 164, and notes to Sec. 47.

⁵ Such as regulation of unemployment insurance by labor unions. For this information I am indebted to Professor Nils Herlitz of the University of Stockholm, who kindly permitted my perusal of one of his manuscripts from which he selected material for his *Sweden*, Minneapolis, 1939, *q.v.*, p. 115.

Noteworthy as a third basis for modern social policy is the completeness of responsibility of the Swedish "government" and administration. Although some of the devices are awkward, responsibility of the entire organization is both politically and legally to parliament, and legally to the courts. Ministers are both collectively and individually responsible to the chambers acting primarily through their joint constitution committee. Criticism either in committee or in one of the chambers directed toward an individual minister may be severe enough to force him to retire—even on the basis of such a matter, perhaps, as the nature of the items he included in his voucher as being incidental to official travel. Minutes of formal ministerial meetings, spoken of as the Council, when the king presides, are scrupulously kept (perhaps in too much detail for assurance that all utterances so recorded actually were there uttered) and are examined conscientiously by parliament's constitution committee. In legal theory the ministers, jointly or severally, are responsible to parliament only for the advice they give the king and not for any decisions taken in council, since it is the king who is supposed to decide—but nowadays it all amounts to one and the same thing. On general policy, the ministry, despite its traditionally diverse party composition, has evolved into a rather compact unit presenting a united front before the king and before parliament, and consequently stands in the limelight of public attention. In order to reach unanimity the ministry meets often when the king is not present and when no minutes need be taken. Such meetings are, like American and British cabinet meetings, unknown to the law—they have even been called an un-Swedish institution—but they occur much more frequently than the formal Council meetings. The practice has been only more firmly fixed under the regime of parliamentary responsibility, rather than caused by it, for even before such responsibility evolved the ministry found it convenient to hold preliminary meetings. Ministerial responsibility is now so complete that resort to the special constitutional provision for impeachment and prosecution of a minister before an extraordinary high court is entirely out of date.⁶ It is highly significant, moreover, that this complete accountability of the ministry is such in Sweden as to oblige political parties also to assume responsibility. The proportionate partisan election of parliamentary members and of its committee members, and the possible overriding of the senate on budgetary

⁶ *Constitution*, Art. 102. Ingelson, Allan, "*Officiellt*," Stockholm, 1938, pp. 338-339.

matters induce the joint-chamber partisan caucuses.⁷ And these, coupled with ministerial responsibility, focus praise or blame, not on one or the other of the two chambers, not on the executive or on parliament, but directly on the dominant political party or coalition of political parties. Party organizations cannot hide behind alibis.

Lower administration is also responsible. The ministry, as in other countries, is thought of essentially as an instrument of policy formation, both in proposing legislation and in directing the general course of administration. Somewhat different from other countries, however, it is in Sweden, with its staff and the boards and commissions, more or less set apart from, though naturally above, the routine administrative organization and personnel. Parliament has, without meddling with the details of routine management, found ample means in the constitution of holding this organization pretty well accountable to itself—and this in spite of the fact that the civil servants even of high rank hold their appointments for a term of good behavior and are technically responsible only in law. Consequently the patronage that an American would think of does not exist. Control through the budget is common everywhere and is in Sweden also one of the devices of constitutional government for legislative control of the administration, and parliament has not hesitated, moreover, to alter provisions in the administratively prepared budget. But the device of the Swedish constitution making a minister responsible for his advice, regardless of the government's decision, gives parliament and particularly its committees the opportunity of looking to the subordinates of the ministers in the various departments for technical information and advice which may be at variance with that given by the minister himself. Ministerial proposals are often judged in the light of such information. Even government bills laid before parliament for enactment into law are accompanied, as *propositions*, not only by the recommendations of the ministers but by the opinions, whatever they may be, of the various bureau heads concerned. More elaborate administrative committee reports on proposals carry also the views of any experts who might have been called in by the administration for consultation.

Still other devices make for responsibility to parliament. Wisely or unwisely, the constitution places the bank of Sweden and the public debt office under the control of boards elected by parliament, and

⁷ Håstad, Elis, *Partierna i Regering och Riksdag*, Stockholm, 1938, pp. 14-16. *Lagtima Riksdagen* (annual), lists officers elected by these joint-chamber party groups.

through these agencies, very naturally, considerable influence, especially in the departments of commerce and finance, may be exerted on the administration. In addition to the administration's own auditing, a legislative audit of the books, and with it even criticism of the wisdom of various types of expenditures in the administration, is handled through auditors elected by parliament under constitutional prescription. Six members from each chamber work for about three months between parliamentary sessions and report to the ensuing session. Some of those officers whose activities have been thus inspected smile at the naïveté of some of the untrained members of a visiting committee but they seem to agree that the institution has merits. Certainly those interests having grievances against an institution can furnish the visitation committee with ammunition.

But this is not all. Any person aggrieved at the manner in which any matter affecting him is being handled may himself demand to see his complete record and he, or any one else in his behalf, may appeal to superior administrative officers, to the courts, or to a special type of parliamentary attorney bearing the title of *justitieombudsman*.⁸ This high officer might perhaps be called a parliamentary complaint hearer and prosecutor whose investigative jurisdiction extends to civil administration and to the courts. A similar officer, called *militieombudsman*, has a like jurisdiction over military and naval matters. These officers, elected by parliament, hear complaints from whosoever may be aggrieved at an administrative office or at the courts, and must enquire as to their justification. If they are convinced that a wrong has been done, they may call upon the officer complained of to rectify his error and, if necessary, may prosecute him in the courts. They have access to the courts and court records for the purpose, though they may not interfere with a case in process. In their annual reports, these attorneys are to call attention to needed legislation. The position of *militieombudsman* is by no means so arduous as is that of *justitieombudsman*, for the latter office is overloaded, as might well be suspected. Since inadequate assistance has been given to the office, only fairly young men of proved capacity can be selected, and they are changed rather frequently. It is possible that the dignity of the rank saves the office, and were the population of the country to increase, it is probable that great changes would have to be made in the institution. The position has the possi-

⁸ *Constitution*, Arts. 96-102.

bility of being politically powerful, but experience and constitutional practice have now denied to it any possibility of rivalry with the ministry. And still two other constitutional aids to dominance over the rest of the government are available to parliament: once every four years parliament elects two investigative committees, one to review the administration of the law governing the freedom of the press,⁹ and the other to review the work of the higher courts.¹⁰

A fourth feature of the Swedish government significant to others is that policy formulation in general and legislative drafting in particular are primarily functions of the administration rather than of the representative branch. This is the practice, but Swedish political philosophy does not so verbalize it. Although parliament "makes" the laws, it does so by holding the reins of authority and bidding for or accepting from the administration the services of investigation and bill preparation. Policy, whether departmental or general, is the result of consultation, advice, and collective decision, and consequently is not made by any single officer and transmitted by him to his subordinates. The better for policy formulation, the administration in its upper reaches is collegially organized and is more or less distinct from the routine administrative services. One of the principal functions of individual ministers is to prepare matters, whether parliamentary bills or administrative orders, related to their respective departments so as to facilitate consideration by the ministry. For this two devices are at their disposal. One is the creation of special committees to make careful studies of particular questions and to publish carefully prepared reports—documents which often have the character of scientific treatises. Such temporary boards may be composed of administrative officers and often members of parliament, university professors, and representatives of special interests. The second device, of immediate availability and reliance for ministers, is that of a strictly departmental committee, likewise special for the question, to condense, arrange, and reword material for prompt ministerial examination and decision, whether it has gone through the first procedure or not. Specialists called in at any stage may participate directly, right up to the time when the matter is finally laid before the entire ministry, and both types of committees are served by the same corps of expert administrative clerks and bill drafters. Since this same machinery prepares both statutory matters to be laid before parliament

⁹ *Constitution*, Art. 108.

¹⁰ *Constitution*, Art. 103.

and administrative ordinances as well, this, along with the work of the consultative ministers, results in considerable symmetry in both statutory law and administrative practice. The consultative ministers, two of them, without portfolio but with previous administrative experience, parcel out their time among the currently operating committees of the various departments and, representing general administrative policy and jurisprudence, are said often to have a decisive influence.¹¹

The system, flexible almost to the point of being chaotic, results in the keeping of elaborate records of all significant contributions of information on questions of policy, conflicting though some of the information may be, together with the names of those responsible for the contributions. And this applies alike to proposed statutes and to general administrative decrees having the effect of law. When it is a statutory proposal, parliament receives for its consideration and incorporates in its records not only the bill itself, but the ministerial resolution submitting it, and the entire record, printed in such form as to show the general and official history of the whole question.

Parliament has even more information and advice at its disposal on certain bills affecting private rights. The constitution, following eighteenth century lines, distinguished between the making of administrative ordinances, which was vested in the administration alone, and of civil and criminal law, which was given to parliament and the king after, however, they had received judicial advice. Now, of course, the drafting of both categories still goes on in the administration, but propositions of civil and criminal law are then submitted to an advisory judicial council composed of certain members of the highest courts selected by the courts themselves. Their opinion, which some people protest has not always adhered strictly to the legal questions involved, is a part of the material laid before parliament with each proposition touching the civil and criminal laws—expansive as these categories are today.

The Swedish administration administers and also does most of the spade-work of legislation—and parliament controls the administration. In some quarters it is suggested that perhaps parliament attempts to do too much. In so far as this refers to the limits of human endurance, there is no cause for alarm since legislative groups may always find some means of relieving themselves of too-burdensome tasks. And in so far as the criticism refers to the functions performed, there is likewise little to fear with a representative parliament in full control, for

¹¹ Ingelson, Allan, *op. cit.*, p. 39.

it may readily delegate authority without any doubt that it may withdraw that authority when necessary. Since the administrative machinery is adequate and effective, parliament has not established its own law-drafting agency. Even in the case of a motion by a private parliamentary member, which in America would be a member-drafted or, more commonly, private-interest-drafted bill, introduced by a member, the actual bill may not be previously prepared. Nor is it likely to be drafted by the committee to which it is referred for, more often than not, such a motion, if adopted by parliament—and many of them are adopted—will merely call upon the administration to present a proposition embodying in a bill the specifications desired. It would then go through the same process as the ministry-inspired proposition. Parliament is in reality, though not admittedly, treating the details of lawmaking as an aspect of administration to be controlled in the name of the public.

Swedish concentration of ultimate authority in the representatives is advantageous in promoting rather strong leadership. All but two of the ministers as a rule are members of parliament. They may not, however, appear in committees of parliament and they have no vote in parliament, except as they may be members of one house or the other, but whether members or not they may appear as champions of government policy in either chamber. Economic and social interests, represented in America by the lobby, find it necessary to go directly to the ministry if the time seems ripe; otherwise they must content themselves with popular propaganda and with urging party leaders to bring the cause within the program of their respective organizations. Neither the prime minister nor the ministry as a whole may assume a dictatorial role as is so often charged against the British government. The present Conservative-party opposition, however, unaccustomed in the past to facing a majority party, as the Social Democratic party has become, is inclined to cry dictatorship, but it is a hollow cry. While the ministry (technically, of course, the king) does have the weapon of dissolution, which on paper is greater than that in England because not only one but either or both houses of parliament may be dissolved and a new election required, this means of coercion over members of parliament has little significance. The relative uselessness of executive power to precipitate an appeal to the country is primarily the result of proportional representation, for a new election may only introduce a few new faces without altering appreciably the partisan composition of parliament. The ministry, for its part, has no fears of sudden parliamentary reverses for

no such hair-trigger interpellation as that of France is possible. Statutory rules restrict interpellation merely to eliciting information which the government is willing to have elicited.¹²

Since ministerial positions are the most conspicuous and influential in the country, and since parliament holds the ministry responsible for both policy and performance, strong party leaders—not necessarily the titular heads of their parties—compose the ministry. That party leadership is quite stable and, thanks in part to proportional representation and in part to the lack of separation of powers, is of necessity out in the open rather than behind the scenes operating through stuffed-shirt vote-catchers. It has to be patiently built up in esteem both within the party membership and before the public. Candidates for election to parliament are nominated because of their high standing in their parties, as might be expected, but since there is practically nothing by way of patronage to dispense, such as that on which American political parties are obliged to lean so heavily, parties and their candidates in order to win in an election must adhere to fairly definite policies or philosophies of social and political action. Policy in Sweden evolves slowly, however, with few disconcerting surprise moves. Business does not feel obliged to hold its breath until an election is over to the degree that it does in the United States, for seldom is there a chance for a sweeping change with uncalculable effects. But perhaps this eliminates some of the sport features dear to the hearts of the betting element. The governmental machinery, traditional and decidedly bulky as much of it is, operates under a constitution which permits reasonable flexibility and adaptability in meeting social problems. The Swedes themselves see much yet to be done, and the liberal element is disposed to think the lawmaking procedures altogether too tedious, but they would decry any attempt at dictatorial shortcuts. Sweden also has fascistic and communistic contingents, both of which ridicule parliamentary deliberation, but they are small groups with little influence. Until recently no political party was strong enough to command a majority vote in either house. The ministry and its policies had to be the product of compromise between the largest party and whatever other party or parties could be induced to cooperate. This condition prevented speedy change in policy, but did not seriously hinder ministerial leadership. Since 1936 the Social Democratic party, usually called the Socialists, in alliance with the farmers, has enjoyed a full majority in the popular chamber, and by 1938 the

¹² *Ordningstadga för Kamrarna*, Sec. 20, in Malmgren, *op. cit.*

prospects were such that the Socialists hoped by 1941 to obtain a full majority for themselves alone in both chambers.¹⁸ What difference this will make in policy or governmental practice is, of course, yet to be seen. Will a single party, by controlling the majority, ride rough shod over others in the interests of a well-organized group? The only answer as yet is that the rule of law seems to be deeply ingrained, responsible law-making processes follow well-defined channels, proportional representation seems likely to restrict majorities to moderately narrow margins, too narrow to render arbitrary action safe, and practically everybody in Sweden appears to feel well satisfied with the present representative system. Formerly the Social Democrats talked much about the advisability of abolishing the upper chamber as clumsy, class-tainted, unnecessary, and obstructive, but now that their goal of majority control in both chambers is in sight they have ceased to say much about the matter, while some Conservatives, following the local elections in 1938, began to question, somewhat academically, the utility of retaining the upper house.

But, it is protested, Sweden is a monarchy. Quite right. Little tokens of a king's "prerogative," much stiff formality in public ceremonial, the presence of an inhabited castle, and an admittedly qualified democracy in private life, are constant reminders of the fact. One who reads Swedish government documents, particularly the so-called statute book, cannot but be impressed with the fact that the royal majesty (*Kungl. Maj:t*) does everything: issues orders, dispenses justice, conducts foreign relations, commands the army and navy, and legislates—provided parliament agrees to some features. But, just as in England, this is historic and, therefore, is more or less convenient. It is, however, the form and not the substance of Swedish government. The substance is that of a representative parliament unostentatiously sponsoring and controlling legislation for social betterment.

¹⁸ The Social Democratic group in the popular chamber had 115 of the 230 members, and in the other chamber 67 of the 150. In both chambers this group was able to depend on the Farmers Party with 58 and 22 members, respectively, in the upper and lower houses. *Lagtima Riksdagen*, 1938, p. 49.

Legal Barriers That Hinder Improved Tenancy Relations*

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Interpreted in its strictest literal meaning, this topic would include only those phases of the Federal and State Constitutions which are impediments that must be overcome before the farm tenancy situation can be improved. The constitutional aspects of any legislation is of considerable importance, even though it may be highly technical and quite uninteresting to any one except a member of the legal profession. There are other legal aspects of the tenancy problem, however, whose study offers more fruitful results. Possible Federal and State constitutional barriers will therefore be discussed only briefly. Most of the time will be spent in a consideration of certain significant shortcomings of our present landlord and tenant law that are non-technical and, at the same time, extremely absorbing.

Obviously, it has been impossible to study in detail the tenancy law of all the States in the Southwest. This is due to the fact that a consideration of the landlord and tenant law of a State involves certain aspects of the Constitution, and all of the tenancy statutes enacted by the legislature. It also includes decisions of the Supreme and lower courts, and the present status of the common law. We have been fortunate to have available detailed studies of the present law for Arkansas and Oklahoma. There was also available a fairly comprehensive study of the tenancy law of Texas, and a reconnaissance survey of the law in Louisiana and Mississippi. The general statements contained in this paper, therefore, apply to all five States, but with different degrees of intensity. Specific laws in particular States will be cited occasionally where their consideration will amplify the discussion.

One of the oldest and most fundamental problems, pressing for continuous adjustment throughout our long societal evolution, has been concerned with the distribution of legal rights in and control over our

* An address delivered before the annual meeting of the Southwestern Economists, Texarkana, Arkansas, December 8, 1939.

basic resource—agricultural land. Throughout the long struggle to place the land in the hands of those who till the soil, the sovereign government has always reserved certain rights unto itself. In the beginning, practically all rights were reserved, but little by little most of the rights in land were vested in the individual, particularly in the more progressive countries. Even in America, where rights in agricultural land have been turned over most completely to individuals, society has reserved three important rights for itself. The first of these reservations is the right to tax the land under proper and equitable procedures. The second reservation is the right to take the land away from the individual for public purpose under proper circumstances and at a fair price. Third, society has also reserved the right to regulate the tenure of land in numerous ways under the police power.

In addition to these three general types of reservations, society has also reserved unto itself the right to regulate in important particulars the methods whereby the individual may dispose of his land, whether temporarily or permanently. We are all aware of the laws regarding inheritance, homestead tax exemption, escheat, gifts, deeds, mortgages, foreclosure, and redemption as examples of regulations covering permanent disposition of land. We are also aware of the laws governing the temporary disposition of certain rights in the land through the rental procedure. Tenancy laws were enacted early in the life of each of the several States in an endeavor to cause the tenancy system to develop along the proper lines and to preclude the development of acute tenancy problems. A few States have recently enacted laws designed to adjust particular problems that have arisen because of our changing economic and social order. The last legislature in Iowa, for example, enacted a statute which provides that all agricultural leases shall be automatically continued for another year unless notice for termination is given before November 1. This notice of termination is four months prior to the end of the lease year which already had been established by statute.

Throughout our national existence, it has been presumed that it was both a privilege and a duty for society to regulate the types of tenure available to land owners, and that it was within the State's power, and, therefore, a duty of the State to regulate the types of tenure available to tenants. Of course, one of the most important considerations in the latter regard is the completeness with which the relationship of landlord and tenant should be regulated by statutory enactments. In other

words, how far should the two parties be permitted to make contracts without regard to their resulting effect upon society? Further, to what degree should we depend upon educational procedures to bring into being worth while adjustments? The answers to these questions will be influenced to a considerable extent by the economic predilections and social philosophy of each individual. It seems to the writer, however, that probably there are certain general fundamentals to which we can all agree.

The writer believes that both oral and written public pronouncements of several agricultural leaders in this section of the country indicate quite clearly that they feel that statutory enactments should be one of the procedures used to improve the present intolerable farm tenancy situation. In a recent journal article, one agricultural leader said: "Additional legislation is essential before any satisfactory degree of security of tenure will be acquired." He continued, "It would seem, therefore, that in addition to the educational effort now under way, a very essential bit of legislation providing for compensation and damage clauses is necessary."¹ Additional evidence substantiating the efficacy of using law to attain desirable economic and social objectives is inherent in the program outlined for this meeting. Those responsible for the program, by implication if not explicitly, indicate by their selection of topics that society can well expect its duly elected representatives to use the powerful influence of the law in improving landlord and tenant relationships. Before proceeding further, it is absolutely necessary to assume that this premise cannot be successfully attacked.

A second fundamental that we can probably all agree upon is the manner in which landlord and tenant legislation may be developed. It seems to the writer that adjustments in the present tenancy situation, and particularly in the law governing these relationships, should follow an evolutionary rather than a revolutionary type of development. In this regard, the evolutionary procedure would involve scientific and painstaking research, deliberate and mature local planning, and widespread and comprehensive education and discussion. All of these should precede the development of proposed legislation. In this evolutionary type of process, the need for local planning and education cannot be too strongly stressed. We cannot, however, expect State Legislatures to

¹ Nelson, Peter, "Landlord-Tenant Relations in the Southwest with Special Reference to Oklahoma." Reprinted from *The Southwestern Social Science Quarterly*, Vol. XIX, No. 4, March, 1939.

delay action if we are dilatory in our research, planning, and education.

A third fundamental upon which we can probably all agree is that the present landlord and tenant law, or any adjustment in that law, is not designed to force the better landlords and tenants to adopt superior rental arrangements to those which they would otherwise use. The better landlords and tenants have nothing to fear in any sound law designed to improve the farm tenancy situation. It is questionable whether any statute should be enacted whose fundamental principles have not been tried and proved successful by a significant proportion of the better landlords and tenants of the State. In other words, new landlord and tenant law should be designed to bring the stragglers, that is, the lower segment of landlords and tenants, up to tried and acceptable standards.

Effective laws raising the general level under which rented land is operated would place the good landlords and tenants in a better position than that which they at present occupy. They would not have to compete with those who follow substandard practices. Good landlords would find a higher class of farmers remaining as tenants over a longer period of time. Good tenants would not be so scarce and it would be more frequent that a good tenant could find a good landlord from whom to rent. Better classes of men would tend to remain on the farms instead of drifting to urban employment. The indisputable fact that effective landlord and tenant laws would tend to raise the quality of both landlords and tenants cannot be over-stressed. Neither can it be emphasized too much that laws affect adversely only those who desire to follow practices of a level lower than those outlined by the statute.

THE CONSTITUTIONAL BARRIER

If we can agree more or less upon the general aspects of these three fundamentals, we are ready to consider briefly the Federal and State Constitutions as possible legal barriers to improved tenancy relations. Neither the Federal nor State Constitutions present insurmountable barriers to the enactment and successful operation of desirable landlord and tenant statutes. In regard to landlord and tenant relationships, the State Constitutions are much more important than the Federal Constitution since the regulation of landlord and tenant relationship is not one of the powers delegated to the Federal Government. The Federal Government cannot legislate directly in this field. Of course, the State Constitutions and statutes must not conflict with certain provisions of

the Federal Constitution, chief among which is the famous "due process" clause. There is little likelihood that a conflict between the State and Federal Constitutions would develop on this score. It seems probable that the Supreme Court, as now constituted, would give a liberal interpretation to the Constitution if such a conflict should arise.

To meet such constitutional questions as may arise, we have provided in our basic law a process for making desirable amendments. One of the outstanding characteristics of the American democracy is the freedom with which it can be adjusted to meet new economic and social conditions through the evolutionary process without the necessity of waiting for conditions to get so bad that changes are necessarily brought about suddenly. The recent prohibition amendments to the Federal Constitution is a good example of how this process works. Another American way of hurdling constitutional barriers is through a re-interpretation of the meaning of the Constitution in light of new developments. An outstanding example is the renowned reversal of the Court's position regarding minimum wage legislation.

DIFFICULTY OF INTERPRETATION

The most frequent and intense criticism of our present landlord and tenant law, as indicated by our study of this law and also by numerous interviews with well-informed individuals, is the extreme difficulty, if not the impossibility, of a definite interpretation concerning important particulars. This situation is due to several factors. First, the statutes are usually couched in highly technical legal phraseology which is difficult to interpret even by judges and lawyers. Second, in many States the statutes governing landlord and tenant relationships are scattered throughout the Code. This makes it difficult for one not technically trained to locate all of the statutes relating to his situation. Third, many important relationships are not covered by statutory enactments. In the absence of statutory enactments a determination of the position of the landlord and tenant is based upon either court decisions or the common law. Obviously, it would be difficult for the landlord and the tenant to search through all of the court decisions in an endeavor to determine their legal rights and duties, and it is impossible for either party to know how the courts would interpret the common law. The present statutory and constitutional provisions affecting landlords and tenants fall so far short of meeting desirable standards that attention should be given immediately to a correction of this situation.

UNSATISFACTORY JUDICIAL PROCEDURE

Another frequent criticism of the present legal situation under which landlords and tenants operate, and which represents an important barrier in the operation of the present tenancy law, is the slow, costly, cumbersome judicial procedure. Most of us are familiar with the high costs of litigation, particularly in cases that involve only small sums, as do most landlord and tenant cases. We are also familiar with the long delays which can be secured by a lawyer under present legal procedures.

A good example of the latter situation may be found in the procedure for evicting tenants who hold over at the end of their lease. Regardless of whether the landlord has rented the farm to another tenant, it is possible in several of the States for the occupying tenant to remain on the farm at the end of the lease year against the landlord's will, and, if the landlord takes legal steps to evict the tenant, delays can be secured which may make it possible for the tenant to occupy the farm for a complete crop year before a final decision has been reached. Even if the case can be decided more expeditiously, it is usually quite impossible to decide the case expeditiously enough to meet the exigencies of the situation.

Significant progress has been made in the matter of reducing costs and speeding up judicial processes in other jurisdictions handling landlord and tenant cases. Without doubt, the several States represented at this meeting could well consider ways and means of handling landlord and tenant cases more expeditiously and at a much reduced cost.

ADVERSE URBAN INFLUENCE

Another major shortcoming in our present law governing landlord and tenant relationships has grown out of increased urbanization and recent developments in urban renting problems. We have failed to recognize that the economic and social problems growing out of rural landlord and tenant relationships are distinctly different from the problems arising from urban renting conditions. The need for security of tenure and long-time occupancy is not significant in the renting of most urban property since the home in which the family lives is only remotely connected with the means whereby the family secures its livelihood. In the country, however, the situation is distinctly different. The leasing arrangement deals primarily with farm land and only incidently with

the residence on which the farm family lives. Here, security of tenure and long-time occupancy is of paramount importance.

It appears that immediate attention might well be given to the separating of rural and urban tenancy laws. This is particularly true if it is anticipated that the legislature will take many actions within the next few decades. Proposed adjustments referring only to agricultural renting would receive more sympathetic consideration in the legislature than proposals which endeavor to regulate both urban and rural tenancy.

DISTINGUISHING TENANT FROM SHARECROPPER

In addition to the technical language and the vagueness of the present statutes and to the slow, expensive judicial procedure, another shortcoming which must be overcome is the precarious status of the tenants and sharecroppers in the State since in many cases those who rent farms cannot determine whether a sharecropper or a tenancy status has been established.

"In several leading cases the courts have indicated that a sharecropper is a hired hand who is paid as wages a share of the crops produced, while a tenant pays to the landlord a share of the crops which he produces as rent for the farm. A sharecropper does not have legal possession of or control over the farm and enters upon it by virtue of the same right that a laborer enters a factory, while a tenant has complete possession of and control over the farm during the term of his lease and he may even prevent the landlord from entering upon the property unless such a right is reserved in the contract. A sharecropper does not own the crops produced but rather has a lien against the crops for his proportionate share as wages, while the tenant owns the crops grown on the farm and the landlord has a lien on the tenant's crops for the rent due him. A sharecropper may be completely supervised and directed in his farming operations, while a tenant has complete right to organize and manage the farm as he sees fit unless the landlord has reserved these rights in the contract. Thus, a sharecropper is a laborer and an employer-employee relationship is established, while a farmer operating under a contract of tenancy is a tenant and a landlord-tenant relationship is established."²

Although the above general conditions are used to help distinguish a tenant from a sharecropper, it is uncertain in particular cases which factor or factors will be given precedence and what final decision will be handed down.

² Coleman, William J. and Hockley, H. Alfred. "Legal Aspects of Landlord-Tenant Relationships in Oklahoma." Manuscript prepared for publication in cooperation with Oklahoma Agricultural Experiment Station, Stillwater.

The peculiar legal position of the sharecropper, with reference to his rights and duties regarding such economic factors as supervision and furnish resulting in a multitude of social problems, renders this aspect of the present tenancy situation one of the most difficult to solve. Not only do all of the legal, economic, and sociological factors have to be weighed carefully in relation to each other, but the relationship between the tenant and the sharecropper problem and the farm labor problem is of prime importance. The various factors in this connection that demand consideration are too numerous to mention here.

STATUTES THAT ARE INFERIOR TO THE COMMON LAW

Two statutory enactments that frequently place the agricultural landlord and tenant in a worse position than they would be in the absence of the statutes will be reviewed. One of these statutes refers to the removal of fixtures and improvements, and the other to termination of tenancies. Since we have more definite information regarding the Oklahoma statutes, and since the Oklahoma statutes have both of these shortcomings, we will use these statutes for purpose of illustration. It should be indicated parenthetically, however, that these two enactments offer objective evidence of the possibility of statutes being definitely detrimental.

When the Oklahoma Code was first adopted it followed an old concept which had been developed in England several centuries earlier but which had been completely eliminated in England some decades prior to the adoption of the Oklahoma Code. This old English rule provided that the outgoing agricultural tenant could not remove any fixtures or improvements which he had made during his occupancy of the farm. This prohibition has been a serious handicap to agricultural tenants, and has done much to make the tenant unwilling to improve, or even to maintain, the landlord's property. This problem has been met in several States by definite statutory enactments. It has been partially solved for some tenants in Oklahoma since the State statute that regulates the leasing of public lands provides that the outgoing tenant may remove all fixtures and improvements effected by him. Thus, the tenants of this State are in a much more favorable position than tenants of other landlords within the State. As many people have observed, the land which is rented by the State is more adequately maintained than other rented property.

Probably a more important enactment which represents a definite

barrier to improved tenancy relations is the law governing termination of tenancies. Under the old common law tenancies that go on from year to year by mutual consent of the two parties were terminable only by six months' notice from either party prior to the end of the current lease year. Under a statute adopted in Oklahoma, oral tenancies of this type can be terminated upon three days' notice at any time after January 1, while written tenancies of this type can be terminated only upon thirty days' notice. The problem of security of tenure is probably one of the biggest problems confronting those who would improve the present tenancy situation. On January 1, 1935, more than one-half of the tenants in the Southwest had been occupying their farms for less than two years. The impossibility of developing sound farm management practices and stable rural communities under these circumstances appears obvious.

REPAIRS, IMPROVEMENTS, DETERIORATION, AND RENTAL RATES

There exists wide variations among the several States as to the landlord's and tenant's duties and responsibilities for repairs. In some jurisdictions, Louisiana for example, it is the legal duty of the landlord to put the premises in proper repair and to keep them in such repair so long as they are rented. In other States, Texas for example, the tenant takes the premises as he finds them and the landlord is under no obligation for repairs. A middle ground is found in Oklahoma. In that State, a statute provides that the landlord must put in proper conditions any building which he rents for occupancy by human beings. He must repair subsequent dilapidations, except those caused by the ordinary negligence of the tenant. The relationship between either poorly drafted statutes or statutes that are ineffectively administered and the upkeep of the farm appears close.

An example of a complete absence of a statute governing an important relationship can be found in each of the five States represented here. This vacancy occurs in regard to compensation for certain fixtures and improvements effected by the tenant. Even though the present precarious position of the tenant with reference to his right to remove, at the termination of his lease, fixtures and improvements effected by him could be completely and equitably adjusted, there would still remain certain fixtures and improvements which should be made on rented farms that are either physically or economically unremovable. In light of the present run-down condition of many farms and in keeping with

our national effort to conserve the land, it appears that the absence of a statute on this subject and the narrow and rigid interpretation of the common law are real barriers that hinder improved tenancy conditions.

Closely related to the subject of the making of improvements on rented farms is the item of waste, damages, or deterioration. Most of the States endeavor to supply highly effective protection to the landlord in matters of collecting rent, dispossessing an unsatisfactory tenant, and indicating responsibilities for repairs, but they offer little or no protection to the landlord against waste which the tenant may commit. With reference to particular items of waste, some of the statutes follow the old triple damage idea which originated in England in the 13th Century. Other State statutes, although somewhat more modern, are hopelessly inadequate to protect the landlord's property. It seems that providing for improvement and protection of rented property offers one of the best opportunities to improve significantly the present tenancy situation.

With the present keen competition between tenants for farms and the resulting excessive rental rates, largely in the form of privilege or bonus rents, together with the often observed disparity between share rental rates and the productive capacity of the land, it appears that the time is fast arriving, if not already here, when the State will find it necessary to assist in the establishing of equitable rental rates. There is a complete absence of legislation in this regard at present. Such a measure should be taken purely for conservational purposes. The establishment of rental rates should be used to help conserve the soil on rented property by making it unnecessary to follow exploitative cash-crop farming. The establishment of equitable rental rates should also tend to conserve human resources by making it unnecessary for the tenant to reduce further an already low standard of living in order to meet increased rentals. To the extent that tenancy and sharecropping is a method of supplying farm labor, as it is in many areas, legislation along this line would be similar in many respects to minimum wage regulations already operating effectively.

NOTES FROM THE SOUTHWEST

The annual meeting of the Population Association of America was held this year in Chapel Hill, N. C., on May 1 and 2. Representing the Southwest at the meeting were Professor O. D. Duncan of Oklahoma A. and M. College, Professors T. Lynn Smith and Rudolf Heberle of Louisiana State University and Professor Carl M. Rosenquist of the University of Texas.

The Southern Council on International Relations held a conference of Southern leaders in Memphis, March 28 and 29. Dean James B. Trant, College of Commerce, L. S. U., served as a member of the preparatory committee on reciprocal trade agreements.

The Second Annual Conference on Collective-Cooperative Farming in La Laguna Region will be held in Torreon, Coahuila, Mexico, July 4 to 7, inclusive. For information regarding the program address Clarence Senior, Director, Care Centro de Estudios, Tapachula 37, Mexico, D. F.

ARKANSAS

University of Arkansas—The Rural Economics and Sociology Department has received a grant of \$700 from the General Education Board to conduct courses this summer in rural economics and rural social problems for workers in the Agricultural Extension Service, Farm Security Administration, Soil Conservation Service, vocational teachers, and others.

A. C. London, assistant director of the Professional and Service Division, has been loaned to the Department of Agriculture to supervise a national project to study farm employment.

W. H. Metzler, assistant professor of rural economics and sociology, is the author of "Population Trends and Adjustments in Arkansas," Bulletin No. 388, of the Arkansas Agricultural Experiment Station.

Three members of the University faculty who have been active in the Association for many years are scheduled to retire at the end of this year according to a rule adopted by the Board of Trustees last summer setting the retirement age at 65. Those in the social science field affected by this ruling are George Vaughan, Professor of Law, and D. Y. Thomas, chairman of the Department of History and Political Science, who have both served as president of the Southwestern Social Science Association, and A. W. Jamison, Professor of Economics and Sociology.

T. W. Finney, instructor in Business Administration, has accepted a position with the Tulsa (Okla.) Chamber of Commerce effective at the end of this school year.

OKLAHOMA

Oklahoma Agricultural and Mechanical College—Miss Grace Fernandes, Associate Professor of Sociology and Rural Life, is now on leave of absence with the Oklahoma Public Welfare Department engaged as technical advisor in family budgetary analysis.

Mr. William C. Loring, formerly a graduate student at Harvard University is offering courses in Sociology and Rural Life during the spring semester and the summer session.

Mr. Robert T. McMillan who has been on leave at Louisiana University under a General Education Board Fellowship since September, 1938, has returned to the College to do the research for his doctor's dissertation and will resume his duties as instructor in this department on July 1.

Mr. Edward A. Gaston, Jr., has received an appointment as a graduate assistant at the University of Nebraska where he will study toward the doctor's degree in sociology next year.

Professor George B. McCowan of the Department of Accounting has completed the requirements for the Ph.D. degree at the University of Illinois and will receive his degree in June.

University of Tulsa—Professor L. W. Rowland, Department of Psychology, University of Tulsa, has been investigating the opinions of Oklahomans regarding the prohibition repeal issue in that state. The results of his study are published in the Feb. 18th issue of the *Tulsa World*, which had published the original questionnaire.

KANSAS

University of Kansas—During the current semester six graduate students are enrolled in a seminar in current problems of administration under the supervision of F. H. Guild, Professor of Political Science and Director of Research for the Kansas Legislative Council. Each student spends at least nine hours a week at Topeka assisting in studies assigned to the Research Department, and attending committee meetings and other conferences connected with the work of the Legislative Council. About twice each month members of the seminar meet with the Director to discuss the relationships between their experience and their study

in regular courses. The students agree that this plan provides a valuable laboratory for the study of administration.

The School of Business and the Political Science Department are making preparations to offer several in-service training courses to state employees at Topeka, Kansas, during the academic year of 1940-41.

Professor Loren Eisely of the Department of Sociology has received a Social Science Research Council fellowship for 1940-41. He will carry on research in physical anthropology.

Professor John J. Blocker of the School of Business is the author of a new text, *Cost Accounting*.

The Bureau of Business Research soon will issue a Bulletin on "Use Taxes," by Leslie Waters, Instructor in Economics.

TEXAS

Rice Institute—Farrar and Rinehart announce the publication of "Modern Economic and Social Systems," by Professor R. E. Westmeyer of Rice Institute. Professor Westmeyer is teaching at Sul Ross College, Alpine, Texas, this summer.

University of Texas—The Twenty-Second Annual Meeting of the American Association of Collegiate Schools of Business was held at the University April 18, 19 and 20, 1940. The following officers were elected: President, J. Hugh Jackson, Stanford University; Vice-President, Charles C. Fichtner, University of Arkansas; Secretary-Treasurer, Herluf V. Olsen, Dartmouth College; Additional Members of the Executive Committee, J. F. Pyle, Marquette University and Edward Wiest, University of Kentucky. Previously Elected Members of the Executive Committee with continuing terms are Arthur B. Adams, University of Oklahoma, Fayette H. Elwell, University of Wisconsin, Francis H. Bird, University of Cincinnati, and James B. Trant, Louisiana State University.

The Texas State Historical Association met at the University April 26 and 27.

A new textbook on theories and principles of investments, by Professor J. C. Dolley, is being published by Harper and Brothers.

Professor Lloyd W. Jeffress of the Department of Psychology has an article in a forthcoming issue of *The American Journal of Psychology* entitled "The Pitch of Complex Tones," a result of his researches over a period of years in the field of audition.

William P. Boyd, associate professor of business administration at

the University of Texas, will teach at the University of Florida during the first six weeks of the summer.

Sam Houston State Teachers College—On March 29, 1940, Mr. R. M. Woods, Professor of Sociology, at Sam Houston State Teachers College, died at his home in Huntsville. Professor Woods had served as a member of the faculty of his Alma Mater for the last thirty years.

The Walker County Historical Society has been reorganized at Huntsville, Texas. It is expected that after a few years this organization will be vigorous in fostering historical interests and activities, particularly in Texas.

Professor J. L. Clark, Chairman of the Division of Social Science at Sam Houston State Teachers College, has recently published a high school text, *A History of Texas, Land of Promise*. This book has been adopted as a basal text for use in Texas high schools.

TWENTY-FIRST ANNUAL MEETING OF THE
SOUTHWESTERN SOCIAL SCIENCE ASSOCIATION

MARCH 22 AND 23, 1940

DALLAS, TEXAS

FRIDAY, MARCH 22, 9 A. M.

Accounting Section—Room 2.

Chairman: Haskell Taylor, Texas Technological College.

A Design for Training in System Design, Chester Lay, University of Texas.

Discussion Leader: Daniel Borth, Louisiana State University.

The University Accounting Curriculum, E. A. Saliers, Louisiana State University.

Discussion Leader: D. L. Barnes, University of Oklahoma.

Trends in the Treatment of Governmental Funds, W. K. Newton, University of Oklahoma.

Discussion Leader: M. S. Carroll, Baylor University.

FRIDAY, MARCH 22, 9 A. M.

Agricultural Economics Section—Room 424

Chairman: E. L. Langsford, Bureau of Agricultural Economics, Little Rock, Arkansas.

An Interpretation of Recent Farm Trends, Clarence Roberts, Farmer-Stockman, Oklahoma City.

The Place of Land Use Planning in Agricultural Adjustment, E. D. Hunter, Oklahoma A. and M. College.

The Place of the Farm Security Program in Agricultural Adjustment, S. A. McMillan, Farm Security Administration, Dallas.

General Discussion.

FRIDAY, MARCH 22, 9 A. M.

Joint Session of Business Administration and Psychology Sections and American Business Writers Association—Mezzanine Lounge.

Chairman: Joseph U. Yarborough, Southern Methodist University.

A Survey of Southwestern Office Employment Determined by Specifications Rendered by Two Hundred Employers, H. D. Shepherd, North Texas State Teachers College.

Discussion Leader: K. W. Hall, Southwestern Louisiana Institute.

Psychology in Collection Letters, Harvey Lee Marcoux, Tulane University.

Discussion Leader: Mrs. G. H. Mayo, Texas Military College.

Progress in Civil Service, Howard P. Jones, New York State Civil Service Commission, New York City.

Discussion Leader: C. W. Windham, Personnel Director, City of Dallas.

A Scientific Approach to Wage Determination, John E. Moore, Regional Personnel Supervisor, H. O. L. C., Dallas.

Discussion Leader: E. N. Johnson, Personnel Director, Magnolia Petroleum Company, Dallas.

FRIDAY, MARCH 22, 9 A. M.

Economics Section—Room 432.

Chairman: Arthur A. Smith, Southern Methodist University.

Economic Diversification in the Southwest, A. S. Lang, Texas State College for Women.

Discussion Leader: S. A. Caldwell, Louisiana State University.

Conservation in Relation to the Economic Development of the Southwest, M. M. Blair, Oklahoma A. and M. College.

Discussion Leader: Dean Arthur B. Adams, University of Oklahoma.

FRIDAY, MARCH 22, 9 A. M.

Government Section—Room 3.

Chairman: W. A. Stephenson, Hardin-Simmons University.

The Effect of a Long European War upon the American Nations, C. D. Judd, Texas State College for Women.

Discussion Leader: J. M. Claunch, Southern Methodist University.

Some Current Questions of International Law, H. B. Chubb, University of Kansas.

Discussion Leader: Brent C. Tarter, East Texas State Teachers College.

The Reciprocal Trade Treaties, Herschel Coffee, West Texas State Teachers College.

Discussion Leader: E. W. Rowland, East Texas State Teachers College.

FRIDAY, MARCH 22, 9 A. M.

History Section—Room 406.

Chairman: G. W. McGinty, Louisiana Polytechnic Institute.

The Educational Program of the Reform Movement, 1885-1896, with Special Reference to Missouri Farmers, Homer Clevenger, University of Missouri.

The Farmers' Alliance in Texas in Business, Ralph Smith, Oklahoma College for Women.

Frontiersmen and Planters in the Formation of Kentucky, John D. Barnhart, Louisiana State University.

Discussion Leaders: Homer Huitt, Arkansas State College; Linus Glanville, Southern Methodist University.

FRIDAY, MARCH 22, 9 A. M.

Human Geography Section—Room 5

Chairman: John Q. Adams, University of Missouri.

Some Impressions of South America (Colored Motion Pictures), Darthula Walker, West Texas State Teachers College.

Geographical Aspects of Cotton Yield in Oklahoma, Clyde J. Bollinger, University of Oklahoma.

Brazil as a Competitor in World Cotton Trade, J. W. Reid, Stephen F. Austin State Teachers College.

The Shrimp Industry of Louisiana, H. J. Chatterton, Southwestern Louisiana Institute.

FRIDAY, MARCH 22, 9 A. M.

Sociology Section—Room 1.

Chairman: Leonard Logan, University of Oklahoma.

Some Aspects of Modern Italian Sociology, Kurt H. Wolff, Southern Methodist University.

Causative and Distributive Factors in the Incidence of Psychoses, Ernest Manheim, University of Kansas City.

Discussion: J. S. Duffot, West Texas State Teachers College.

A Measure of Some Variations between Certain Selected Cities, Leo A. Haak, University of Tulsa.

Discussion: Rex D. Hopper, University of Texas.

Chairman: Lawrence J. Fox, Louisiana Polytechnic Institute.

A Revised Behavioristic Approach to Social Psychology, Mapheus Smith, University of Kansas.

Discussion: A. S. Porterfield, Texas Christian University.

Human Resources of Communities, C. W. Strow, Oklahoma State College.

Discussion: Ross Compton, North Texas State Teachers College.

Ten Years of Southwestern Sociologists, Walter T. Watson, Southern Methodist University.

FRIDAY, MARCH 22, 12:15 P. M.

General Luncheon—Crystal Ballroom.

Chairman: Vernon G. Sorrell, University of New Mexico.

Anti-Trust in Action, Walton Hale Hamilton, Yale Law School and United States Department of Justice.

FRIDAY, MARCH 22, 2 P. M.

Accounting Section—Room 2.

Chairman: G. T. Walker, Southwestern Louisiana Institute.

Accounting Principles and the Securities Exchange Commission, L. H. Fleck, Southern Methodist University.

Discussion Leader: J. A. White, University of Texas.

Corporate Dividends and the Surplus Account, O. J. Curry, University of Arkansas.

Discussion Leader: W. D. Rich, Baylor University.

Development of the Accountant's Determination of Income, G. B. McCowan, Oklahoma A. and M. College.

Discussion Leader: J. Carlton Smith, Hardin-Simmons University.

FRIDAY, MARCH 22, 2 P. M.

Agricultural Economics Section—Mezzanine Lounge.

General Topic: *Interstate Trade Barriers*.

Chairman: B. M. Gile, Louisiana State University.

Economic Aspects of Interstate Trade Barriers, Trimble R. Hedges, University of Arkansas.

Discussion:

Use of the Taxing Power of the State to Erect Barriers to Trade, H. L. McCracken, Louisiana State University.

Inspection and Quarantine as Barriers to Trade, J. O. Ellsworth, Texas Technological College.

Use of the General Regulatory and Proprietary Powers of the State to Erect Barriers to Trade, R. T. Kleeme, Oklahoma A. and M. College.

Legal Aspects of Interstate Trade Barriers, Phillip Tocker, Director, Trade Barrier Section of Southern Governors Conference, Fort Worth.

Discussion Leader: William J. Coleman, Bureau of Agricultural Economics, Little Rock, Arkansas.

General Discussion.

FRIDAY, MARCH 22, 2 P. M.

Business Administration Section—Room 6.

Chairman: Floyd L. Vaughan, University of Oklahoma.

Population Stabilization, George Seferovich, Loyola University of the South.

Discussion Leader: Rudolf Heberle, Louisiana State University.

Standards in Rationalization of Industry, R. W. Elsasser, Tulane University.

Discussion Leader: R. W. Bradbury, Louisiana State University.

Symposium: *Changing Conditions in Distribution*

The Public Warehouse, John H. Frederick, University of Texas.

Consumer Buying Habits, Perham C. Nahl, Oklahoma A. and M. College.

Tourist Traffic, Matthews Kast, Our Lady of the Lake College.

FRIDAY, MARCH 22, 2 P. M.

Economics Section—Room 432.

Chairman: Dean C. C. Fichtner, University of Arkansas.

Transportation Rate Differentials in Relation to the Southwest, Virgil D. Cover, University of Arkansas.

Discussion Leaders: H. N. Roberts, Chairman, Texas-Louisiana Freight Bureau, Dallas; Frank L. Barton, Associate Transportation Economist, T. V. A., Knoxville, Tennessee.

Some Problems of Income Distribution in the Southwest, Ruth A. Allen, University of Texas.

Discussion. (During the discussion of Miss Allen's paper, a brief summary report of the Sixth Annual Southern Social Science Research Conference in Chattanooga, Tennessee, March 7-9, on the topic, "Studies in Income in the South," was presented.)

FRIDAY, MARCH 22, 2 P. M.

Government Section—Room 3.

Panel Discussion: *The Fundamentals of Administrative Organization.*

Discussion Leader: W. H. Edwards, New Mexico State College.

Participants: E. O. Stene, University of Kansas; W. M. Morton, University of Arkansas; S. D. Myres, Southern Methodist University; S. A. MacCorkle, University of Texas.

FRIDAY, MARCH 22, 2 P. M.

History Section—Room 406.

Chairman: L. W. Newton, North Texas State Teachers College.

Southwestern Oil in the Nineteenth Century, Gerald Forbes, Northeastern State Teachers College, Oklahoma.

Some School Books of the Confederacy, H. A. Trexler, Southern Methodist University.

Japanese Aggression and the Open Door Policy in China, J. O. Van Hook, Louisiana Polytechnic Institute.

Discussion Leaders: Miss Mabel Holt, Oklahoma A. and M. College; R. L. Jones, East Texas State Teachers College.

FRIDAY, MARCH 22, 2 P. M.

Human Geography.

Chairman: Edwin J. Foscue, Southern Methodist University.

The Highland Park Shopping Village of Dallas—A Planned Sub-Retail Center, Carol F. King and Mary G. Gillespie, Southern Methodist University.

Shopping Areas of the Near Southwest, W. T. Chambers, Stephen F. Austin State Teachers College.

The Eastern Border of the Cherokee Country of Oklahoma as a Cultural Fault Line, Leslie Hewes, University of Oklahoma.

A Method of Field Investigation, Walter Hansen, North Texas State Teachers College.

FRIDAY, MARCH 22, 2 P. M.

Psychology Section—Room 4.

Chairman: Joseph U. Yarbrough, Southern Methodist University.

Vagaries in the Attitudes of College Instructors Toward Counseling and Guidance, W. B. O'Donnell, New Mexico A. and M. College.

Discussion: M. O. Alcorn, Arkansas A. and M. College.

The Predictive Value of College Admission Data, A. Q. Sartain, Southern Methodist University.

Discussion: Iva Cox Gardner, Baylor University.

The Psychology of Counseling, Harold E. Mehrens, Eastern New Mexico Junior College.

Discussion: R. P. Jarrett, West Texas State Teachers College.

Recent Development in Psychiatry, Arthur J. Schwenkenberg, Practicing Neuro-Psychiatrist, Dallas.

FRIDAY, MARCH 22, 2 P. M.

Sociology Section—Room 1.

Chairman: J. B. Brown, Baylor University.

Regional Differences in Distribution of Professional Services, Kenneth Evans, East Texas State Teachers College.

The Primary Community as a Testing-Ground for Integrative Formulae, J. K. Johnson, East Texas State Teachers College.

Discussion: T. G. Standing, Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C.

Business Meeting.

Chairman: Joseph Werlin, University of Houston.

The Status of the Migratory Farm Laborer, J. L. Charlton, University of Arkansas.

The Surplus Commodity Blue Stamp Program Among the Low Income Group, Fred G. Watts, Oklahoma Baptist University.

Coordination of Public Welfare Agencies, J. J. Rhyne, University of Oklahoma.

Discussion: Campbell Loughmiller, Director of Social Welfare for Dallas.

FRIDAY, MARCH 22, 2 P. M.

Student Section of the Southwestern Sociological Society—Crystal Ballroom.

Historical Background of Jewish-Gentile Relations, Raymond Kennedy, Yale University.

Italian Anti-Semitism, Kurt Wolff, Southern Methodist University.

Negro-White Relationship in the Deep South, Charles D. Johnson, Baylor University.

Racial Problems of the Chinese in the United States, Edward Chen, Secretary of the Chinese Consulate in Houston and Student at the University of Houston.

FRIDAY, MARCH 22, 6 P. M.

Informal Supper, Southwestern Members of the American Marketing Association—Room 5.

FRIDAY, MARCH 22, 8 P. M.

General Meeting—Crystal Ballroom.

Chairman: William L. Bradshaw, University of Missouri.

The Function of the Social Sciences in a University, President Umphrey Lee, Southern Methodist University.

Telling the Cock-Eyed World, Oscar Ameringer, Editor of *The American Guardian*, Oklahoma City.

Presidential Address: *The Wealth of Nations*, Clarence E. Ayres, University of Texas.

SATURDAY, MARCH 23, 7:30 A. M.

Breakfast Meeting of Accounting and Business Administration Sections—Room 6.

Chairman: Dean J. Anderson Fitzgerald, University of Texas.

Aims and Objectives of the Business Education Service, U. S. Office of Education, John B. Pope, Office of Education, Washington, D. C.

SATURDAY, MARCH 23, 9 A. M.

Accounting Section—Room 2.

Chairman: V. F. Harrison, Oklahoma A. and M. College.

Round Table Discussions:

Recent Developments in Auditing Procedure.

Last-in, First-out Inventories.

Evaluation of Faculty Services.

SATURDAY, MARCH 23, 9 A. M.

Joint Session of Agricultural Economics and Economics Sections—Mezzanine Lounge.

Chairman: Peter Nelson, Oklahoma A. and M. College.

The Effect of Monopoly on Modern Industry, R. H. Montgomery, University of Texas.

Discussion Leader: Russell H. Baugh, Oklahoma A. and M. College.

What Cooperation Has to Contribute in Solving the Problem of Distribution, W. E. Paulson, Texas A. and M. College.

Discussion Leader: T. C. Richardson, *Farm and Ranch*, Dallas.

SATURDAY, MARCH 23, 9 A. M.

Business Administration Section—Room 6.

General Topic: *Adapting the Commerce Curriculum to Changing Conditions.*

Chairman: A. T. Flint, Oklahoma College for Women.

The Teaching of Statistics, John R. Stockton, University of Texas.

Improving the Business Library, Dean C. C. Fichtner, University of Arkansas.

Methods in Teaching a Methods Course, Loyce Adams, Hardin-Simmons University.

The Course in Business Law, M. G. Dakin, Louisiana State University.

Audio-Visual Aids, Pearce Kelley, University of Arkansas.

Research as a Teaching Aid, Nathanael Engle, Department of Commerce, Washington, D. C.

SATURDAY, MARCH 23, 9 A. M.

Government Section—Room 3.

Chairman: A. P. Cagle, Baylor University.

The Conflict between the National Commerce Power and the Taxing Power of the States, J. W. Davis, Texas Technological College.

Discussion Leader: Hugo Wall, University of Wichita.

Interstate Trade Barriers, George Hunsberger, University of Arkansas.

Discussion Leader: John H. Leek, University of Oklahoma.

Liquor and the Interstate Commerce Clause, Leslie Waters, University of Kansas.

Discussion Leader: S. B. McAlister, North Texas State Teachers College.

Presidential Participation in Off-Year Elections: The Roosevelts, Taft, and Wilson, Edwin D. Hunter, Oklahoma City.

Discussion Leader C. N. Fortenberry, Texas A. and M. College.

SATURDAY, MARCH 23, 9 A. M.

History Section—Room 406.

Chairman: R. N. Richardson, Hardin-Simmons University.

South America Takes a Look at the Monroe Doctrine, T. H. Reynolds, Oklahoma A. and M. College.

Historic Sites in Oklahoma, M. L. Wardell, University of Oklahoma.

Life of George Wyth Baylor, J. L. Waller, Texas School of Mines and Metallurgy.

Discussion Leaders: C. A. True, Texas Christian University; Edwin Davis, East Central State Teachers College, Oklahoma.

SATURDAY, MARCH 23, 9 A. M.

Human Geography—Room 5.

Chairman: J. S. Kyser, Louisiana State Teachers College.

We and the Grasslands, Sidney E. Ekblaw, University of Kansas City.

A Geographical Traverse Across the Northern Ozarks in Missouri, Allen Belden, University of Oklahoma.

Geography and County Consolidation, William A. Hill, Mississippi State College for Women.

- Economic Geography of a Region Between the Mississippi River and the Illinois River in West Central Illinois*, Raymond Sidwell, Texas Technological College.
A Study of Farm Population Movements with Reference to Submarginal Land Areas, L. S. Paine, Texas A. and M. College.

SATURDAY, MARCH 23, 9 A. M.

Psychology Section—Room 4.

Chairman: Joseph U. Yarborough, Southern Methodist University.

An Investigation of Certain Aspects of the Level of Aspiration, L. B. Hoisington, University of Oklahoma.

Discussion.

A Further Study of the Relation Between the Conception of the True Path and Efficiency in Maze Learning, Cecelia B. Crow, Southern Methodist University.

Discussion.

Active vs. Passive Learning, Claude C. Dove, New Mexico A. and M. College.

Discussion.

SATURDAY, MARCH 23, 9 A. M.

Sociology Section—Room 1.

Chairman: Albert E. Croft, University of Wichita.

Personal Rights under the Marriage Contract in Louisiana, R. H. Bolyard, Southwestern Louisiana Institute.

Changing Concepts of Marriage and the Family, Henry L. Pritchett, Southern Methodist University.

Round Table Discussion: *The Responsibilities of Departments of Sociology for Offering Courses in Training for Marriage.*

Discussion Leader: Daniel Russell, Texas A. and M. College.

Counseling Outside the Class as Part of a Course on Marriage and Family Relations, Henry L. Pritchett, Southern Methodist University.

Problems of Teaching Marriage and Family Relations Courses in a Girls' School, Ruby Joe Reeves Kennedy, Texas State College for Women.

Contributions of Home Economics Department to College Courses in Marriage and Family Relations, Ercel S. Eppright, Texas State College for Women.

Responsibilities for Teaching Courses in Training for Marriage in a Boys' School, Daniel Russell, Texas A. and M. College.

Responsibilities for Offering Courses in Training for Marriage in Co-educational Schools, Wyatt Marrs, University of Oklahoma.

Report from National Conference on Family Relations, Alvin Good, Louisiana Teachers College.

Business Meeting.

SATURDAY, MARCH 23, 10 A. M.

Student Section of the Southwestern Sociological Society—Room 432.

Residential Accommodation of Negroes and Whites in Dallas, Meade Harwell, Southern Methodist University.

The Social Antecedents and Consequences of Slum Clearance in Fort Worth, Floyd Leggett, Texas Christian University.

A Study of the Vocations of Two Hundred Married Graduates of Texas State College for Women, Catherine Bentinck, Texas State College for Women.

An Isolated East Texas Community, Troy P. Wakefield, Texas A. and M. College.

Social Status of the Choctaw Indian, Student Representative from Southeastern State College, Oklahoma.

General Luncheon and Business Meeting—Peacock Terrace.

The Twenty-first Annual Business luncheon and meeting was attended by about twenty members. President Clarence E. Ayres presided until the selection of officers. The order of

business was as follows: The President's report; The Secretary reported on membership and finances of the Association; reports were heard from the Editor-in-Chief, the Auditing Committee, and the Committee on Nominations. These reports were as follows:

PRESIDENT'S REPORT

President Clarence E. Ayres expressed his sincere appreciation for the cooperation he received during the past year. Special mention was given to the work of the Program Chairman, the Committee on Local Arrangements, the Section Chairmen and the members of the Executive Council. The President commented upon the fine attendance at the Twenty-first Annual Meeting.

REPORT ON MEMBERSHIP

NOTE—By action of the Sixteenth Annual Convention, the Secretary-Treasurer was authorized to drop those who have been carried on his books for longer than one quarter in arrears and to elevate delinquent members to good standing if they pay the subscription for the past year due and one year in advance.

	I			
	April 1937	April 1938	April 1939	Mar. 20, 1940
Life	1	1	1	1
Contributing	4	3	—	—
Sustaining	1	1	1	1
Institutional (7 delinquent at 3/20/40) —	—	6	7	10
Active:				
1. Individuals (in good standing) .171	171	198	251	278
2. Individuals (in arrears)..... 34	34	50	22	76
3. Libraries (in good standing) .119	119	133	122*	118
4. Libraries (in arrears)..... 6	6	10	10*	16
Totals	336	402	414	500

* Includes paying libraries only and excludes libraries furnished on institutional memberships.

II

1. Individuals dropped since April 1, 1939.....	17
2. Libraries dropped since April 1, 1939.....	—
3. New Individuals added since April 1, 1939.....	87
4. New Libraries added since April 1, 1939.....	4

III

An attempted distribution of individual memberships (good standing) according to sections:

Accounting	21	Human Geography	14
Agricultural Economics	22	Psychology	15
Business Administration	39	Sociology	31
Economics	45	Miscellaneous and those not designat-	
Government	34	ing sections	24
History	33		—
TOTAL			278

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE TWENTIETH FISCAL PERIOD

FEBRUARY 1, 1939 TO JANUARY 31, 1940

Note: By action of the Fifteenth Annual Convention, the Secretary-Treasurer was ordered to close his books as of January 31.

RECEIPTS:

Balance, February 1, 1939.....	\$202.33	
Membership Dues:		
Active—Individual	804.00	
Active—Libraries	412.50	
Contributing	10.00	
Institutional	95.00	
Sale of Publication	56.50	
		<hr/>
		\$1,580.33

DISBURSEMENTS:

Transcript Publishing Co.:		
Printing of March, 1939, Quarterly.....	\$222.77	
Printing of June, 1939, Quarterly.....	277.76	
Printing of Sept., 1939, Quarterly.....	303.35	
Printing of Dec., 1939, Quarterly.....	220.67	
		<hr/>
		\$1,024.55
Printing and mailing of programs.....		62.42
Miscellaneous Convention expenses		3.36
Office Supplies		13.36
Purchase of Back Numbers		3.00
Express on sales and between printer and sec'y-treas.....		4.26
Mailing Costs		5.17
Postage		23.69
Travel to Convention—Secretary-Treasurer		53.69
Bank Charges		2.20
Agency Charges		2.79
Balance on hand, January 31, 1940		381.84
		<hr/>
		\$1,580.33
Cash balance at time of the annual business meeting, April, 1939.....	\$	778.18

REPORT OF AUDITING COMMITTEE

Executive Committee,
Southwestern Social Science Association.

Gentlemen:

By authority of appointment of your President, C. E. Ayres, we have examined the statements of the Secretary-Treasurer for the Southwestern Social Science Association for the year 1939-40. In connection therewith we examined the cash receipts and disbursements records and supporting evidences.

Subject to such examination, we believe the said statements fairly reflect the cash position of the Association.

AUDITING COMMITTEE:

(signed) B. F. HARRISON, *Chairman, C.P.A.*
W. B. COLE, *C.P.A.*

EDITORIAL REPORT FOR THE SOUTHWESTERN SOCIAL SCIENCE QUARTERLY, VOLUME XX

DISTRIBUTION OF CONTENTS AS TO SUBJECT

<i>Date of Issue</i>	<i>Articles</i>	NUMBER OF PAGES			<i>Total</i>
		<i>Notes and</i>		<i>Book Reviews</i>	
		<i>Miscellaneous</i>			
June	75	19	20	114	
September	110	2	16	128	
December	69	4	12	85	
March	85	3	19	107	
Volume XX	339	28	67	424	

DISTRIBUTION OF ARTICLES AS TO FIELD

<i>Field</i>	<i>Number of Articles</i>	<i>Number of Pages</i>
Agricultural Economics	5	56
Business Administration	3	25
Economics	6	76
Geography	2	16
Government	5	64
History	1	20
Sociology	7	81

DISTRIBUTION OF AUTHORS OF ARTICLES BY STATE OF RESIDENCE

<i>State</i>	<i>Number of Authors</i>	<i>State</i>	<i>Number of Authors</i>
Arkansas	3	Mississippi	1
California	1	Missouri	3
Iowa	1	Oklahoma	1
Kansas	1	Texas	7
Kentucky	1	Utah	1
Louisiana	4	Washington, D. C.	5

Number of Book Reviews in Volume XX.....87

REPORT OF THE COMMITTEE ON NOMINATIONS

To President C. E. Ayres:

The members of the Nominating Committee of the Southwestern Social Science Association:

Cortes A. M. Ewing, *Chairman*, University of Oklahoma

Lynn M. Case, Louisiana State University

Kenneth Evans, East Texas State Teachers College

Laurence H. Fleck, Southern Methodist University

John R. Hodges, Arkansas A. and M. College

Pearce C. Kelley, University of Arkansas

Peter Nelson, Oklahoma A. and M. College

Lloyd Rowland, University of Tulsa

Darthula Walker, West Texas State Teachers College

recommend unanimously as elective officers for 1940-41 the following:

President, Dean Raymond D. Thomas, Oklahoma A. and M., a member of the Economics Section;

First Vice-President, Professor Hugo Wall, University of Wichita, a member of the Government Section;

Second Vice-President, Professor J. L. Waller, College of Mines, El Paso, member of the History Section.

CORTES A. M. EWING, *Chairman.*

The report of the Nominating Committee was accepted and President Ayres formally declared the nominees elected.

After the business meeting members of the Executive Council considered matters concerning the policies of the Association. Such matters as the publishing of the Quarterly, the arrangements for programs in the ensuing year and the holding of the fall meeting of the Executive Council were given attention. The Council voted that in view of the improved financial condition of the Association that, at the discretion of the Editor-in-Chief, he might select a new publisher for the Quarterly.

The Council voted that the next annual meeting of the Association should be held at Dallas during the Easter holidays.

DANIEL BORTH,
Secretary-Treasurer.

Book Reviews

Edited By O. DOUGLAS WEEKS
The University of Texas

Patterson, Caleb Perry, McAlister, Sam B., and Hester, George C., *State and Local Government in Texas*. (New York: The Macmillan Company, 1940, pp. ix, 586.)

Convinced that any general study "will of necessity be so broad . . . that it will omit the very things the student needs to make him an intelligent citizen and voter in his own state" (pp. v-vi), the already distinguished authors of *State and Local Government in Texas* have undertaken to provide a text "designed to present all important phases of state and local government as they apply in Texas." (p. v). Their design has been, on the whole, well executed. There is a minimum of generalizing and an unmistakable emphasis upon essential information about the structure, activities, and problems of Texas government.

The book, attractively bound in two tones of blue and printed in type that invites reading, offers a text carefully documented in footnotes and well selected bibliographies. Topical headings within each chapter make organization and relationship of subject-matter easy to comprehend. Charts, tables, outlines, and occasional illustrative materials simplify the work of student and teacher. Another useful feature (unhappily omitted from Chapter IV) is the printing of pertinent constitutional passages at the close of chapters that treat of subjects dealt with in the Constitution.

Organization and presentation of material resemble closely the order and scope found in the best recent texts on state government. The inevitable chapters on the Constitution, the Legislature, the Executive, and the State Administration are followed by chapters, generally more interesting, on such vital matters as primaries and elections, financial planning, education, welfare, conservation, highways, and safety. As in general texts on state and local government, the state steals the show (with eighteen chapters), while county and municipality, as usual, "rate" a chapter each. In these two chapters one observes striking contrasts between adequacy and inadequacy of treatment. For example, county functions, particularly the financial ones, are quite satisfactorily covered, but proposals for reforming county government, and especially for unification of counties, are little more than introduced, without any realistic appraisal of requisites, procedures, or difficulties involved in such reform.

A candid review will uncover a few additional inadequacies. In the brief sketch of Texas' constitutional history (pp. 8-13) the excellent (for its time) Constitution of 1845 is merely mentioned. The process of amending today's Constitution is reduced to barest outline, and the statement regarding ratification

of an amendment is far from clear. Unmentioned are provisions for or neglect of decennial legislative reapportionment. Surely one specific example might be expected, from Texas' experience, of the process condemned in the clever quip that "government establishes a bureau in the morning, and by evening it blossoms into a full bedroom set" (p. 121).

Relatively harmless oddities include: "vetoing" (p. 106); "sparsity" (p. 524); public opinion "inarticulate only through self-seeking blocs" (p. 129); a House Joint Resolution for a constitutional amendment as illustrative material in "How a Bill Becomes a Law" (pp. 48-55); instancing to illustrate lobbying in the Legislature the more than three thousand letters and telegrams received in a day by the Governor as a member of the Automatic Tax Board (p. 65); failure of the fourth stage (if there is one) "in the normal budgetary process" to make its promised appearance (pp. 131-33); reference to winners of primary nominations as *newly elected* state officials (p. 141); "the state . . . committee passed *are solution* [a resolution] barring negroes" (p. 151); and the mathematically incongruous statement that "Texas ceded to the United States . . . 164,687 square miles, or 67,000,000 acres. . . ." (p. 434).

As offset and abundant recompense for such minor faults, the appreciative reader meets countless instances of careful research, thorough knowledge, and excellent writing. A topic superlatively treated is "The Background of our Constitutional Government" (pp. 2-4). Other examples of keen perception and clear statement appear in discussion of the legislator's task and the need for sympathetic popular understanding thereof (pp. 58-60), and in analysis of the faulty functioning of the party system in Texas (pp. 62-63, 102, 152-53). Chapters especially significant because they treat clearly and comprehensively of traditional government activities in modern setting or of new and rapidly expanding welfare services of the state government are those on "Revenue and Taxation," "Public Education," "Public Welfare and Benefits," "Police Power and Regulation," "Conservation and Natural Resources," "Wildlife and the Public Domain," and "The Department of Public Safety." In these and similar chapters one finds an approximately *whole picture* of Texas government. Indeed, the citizen can find a greater sum of important up-to-date information about the present work of his state government in this text than in any other half dozen sources known to this reviewer.

Southwest Texas State Teachers College

EUGENE O. TANNER

Hagood, Margaret Jarman, *Mothers of the South, Portraiture of the White Tenant Farm Woman*. (Chapel Hill: University of North Carolina Press. 1939, pp. vii, 252.)

Mothers of the South represents another expression of the interest of the North Carolina group of research scholars in their native region. This book is a statement and interpretation of facts gathered first hand by the author from white tenant farm women living in thirteen Piedmont Counties of North Carolina. These women in turn, are compared with an equal number from what is

called the Deep South—Georgia, Alabama, Mississippi, and Louisiana. The study attempts to be more realistic and comprehensive than are the ordinary stereotyped case studies, and combines successfully the best features of the statistical, the case, and the survey methods.

In Part I attention is called to the farms and farm families themselves. In this discussion, while there is no one type of tenant farm or tenant family, there are certain internal homogeneities which provide knowledge for an understanding of the women living on these farms. This information is given in the form of case studies which present in an intimate way the conditions of life, including the relation of the tenant-farmer to his landlord or to others who directly or indirectly control his destiny. Cases involve those who refuse to cooperate with the federal government plans, typical tobacco farm tenants, a family who has experienced foreclosure, a cotton farmer who has clung to cotton because "that's what we're used to," the small farm owner, a subsidized sharecropper family which receives aid from a small monthly payment for Dependent Children, a prospective tenant purchaser who hopes to own ground of his own by means of a government loan, the poor relation type of tenant family, and the pathological family encumbered with the problem of illegitimacy, incest, and feeble-mindedness.

The second division of the book deals more directly with the mothers themselves. It leaves the impression that life for them has two variables, work and child-bearing, of which the women themselves boast. One woman with pride said, "I helped house the crop up through the very evening that John was born that night," and another said, "I did all my week's washing the morning I was took sick when my fifth came." These comments with slight variations are made by these women again and again. Another woman with thirteen children born in twenty-two years rationalized by saying the Bible counsels, "Be content with your lot." She tries not to worry because of debt, crop failure, and the coming of another child to feed and clothe. The high death rate tends to keep down the number in the family.

The mothers like to tell about raising children and most of them are content with the results. They respect their husbands, and one woman voiced her admiration for her husband by saying, "If I can just raise my children up to go straight and be as good as him." The husbands are generally kind, and both parents are apparently proud of their large families. One mother, however, says, "That's what's the hardest thing of all—having five children and not being able to spend on them what you see they need."

In the matter of work preference, an overwhelming majority like field work better than housework. Women generally feed the chickens and cows and do the milking, and the husbands feed the mules and pigs.

Most of the mothers have little or no education, and many of them are opposed to consolidation of schools; they do not want their children in contact with town children. But the children of sharecropper status are getting much more education than did their parents. About half of the women do not vote,

some because they think it wicked for a woman to vote and others because they "never get around to it."

The final section deals with meanings and interpretation of facts. In comparison with the Deep South tenants, the Piedmont mothers have more chickens and gardens, but the families in the Deep South have more cows. More husbands in the Deep South than in the Piedmont belt work at intervals away from their farms. The Piedmont families, when compared with those of the Deep South, are more stable and more "settled," though the women have more children and less education. But throughout the South, the basic factors of low income, high fertility, and a lack of social service produce a primary pattern of life for women and their families.

The final conclusion is that the welfare of the Southern farm tenant mothers has consequences and significances for the quality of people who shall inherit the nation. The statement "as goes the rural mother of the South so goes the nation" is not so unrealistic as it might appear. Since over half the Southern farms are tenant farms, these mothers are both quantitatively and qualitatively linked inevitably with the rise or fall of a large part of the South and of the nation.

Texas State College for Women

MATTIE LLOYD WOOTEN

Shugg, Roger W., *Origins of Class Struggle in Louisiana, A Social History of White Farmers and Laborers During Slavery and After, 1840-1875*. (University, Louisiana: Louisiana State University Press, 1939, pp. x, 372.)

This interesting book seeks to discover the beginnings of the class movements in ante-bellum Louisiana which resulted in the agrarian revolts of the nineties. The author is mainly concerned with the small farmers and the poor white laborers. These composed the lower strata of the social classes which were topped, of course, by the small slaveholding yeoman and the middle-class planter of the oak uplands and the prairie belts, as well as the traditional planter of the alluvial regions who dominated the life of Louisiana from the peak of the economic and social ladder. He believes that the various economic and social classes were separated more or less according to areas, and he analyzes them after previously having made a good analysis of the State's physiographic divisions.

The study consists of nine "essays," eight of which were included in the author's doctoral dissertation and the ninth chapter treats of the rise of the poor whites and contains the author's general conclusion.

This reviewer feels that the author, in isolating and analyzing the laborers and white farmers as a class, was able to find only an insignificant number of authentic proletarians in a property holding society. Granting that nearly three-fourths of the State's free population owned no slaves, it does not follow that these non-slaveholders should be grouped as proletarians. From over one-half to almost three-fourths of these non-slaveholders usually owned their own

farms, with more than seventy-five per cent of these holding up to two hundred acres of land and the remainder even more than two hundred. The present writer believes that the author failed to differentiate between the non-slaveholding farmer and the landless farmers of certain parishes (Iberville, for instance); that is, that the landless farmers were usually not farmers at all, while the non-slaveholding farmer in the Black Belt, contrary to Mr. Shugg's apparent assumption, was actually a land owner. There should also be clear distinction between the river laborers and the artisan. Surely, the landless, the landholders, deck hands, and property owning skilled workmen were not all proletarians.

Most of the farm families of the Black Belt were not only landowners but hoped to be slaveowners. Over half of this white population were non-slaveholders, but a majority of those who owned slaves were small planters and farmers. The influence of the large planter is, the reviewer believes, somewhat overrated.

One wonders, too, whether the author's Marxian point of view has not influenced him into a Marxian assumption which caused him unconsciously to make less use of data that was not in confirmation of his theory of the class struggle. Certainly, one would not suggest that the author made inflexible use of his data to bolster any preconceived idea. While the bibliography is impressive and all chapters are supported by copious citations of sources and explanatory footnotes, one feels that some data, nonconforming to the original thesis, must have been overlooked. For instance, J. M. Morphis knew his Texas far better than did F. L. Olmsted, who is cited in more than one chapter where social conditions are referred to. And for about a score of years, Southern historians and teachers have labored earnestly to obliterate the tradition that the Old South consisted of but three classes—the planting aristocracy, slaves, and "po' white trash."

The conclusion that the centralized wealth and the plantation system survived the War and Reconstruction and that from 1840 to 1875, "The people who were poor and white had changed neither their color nor their condition in any appreciable sense" is scarcely novel to the student of this period or to the Southerner. Still, the book is excellent in many respects, is timely, and the expressed hope of the author that his "essays may suggest the value of examining local history in terms of classes" (p. ix) will likely be realized. It is with regret that your reviewer must conclude that the final word on this subject has not yet been said. It is difficult for one to put down the land and interpret the people to which he does not belong.

There is an appendix containing statistical tables, a useful regional map in the end papers, and a general index. On the whole, the work is a credit to both the author and the publishers. The format and the printing are of high quality, in keeping with the craftsmanship which the Louisiana State University insists upon.

The University of Texas

JAMES K. GREER

Morris, Richard B., (Ed.) *The Era of the American Revolution*, (New York: Columbia University Press, 1939, pp. x, 415.)

Recent retirement of Evarts Boutell Greene, after almost a half century of teaching, inspired this interesting and valuable volume of essays. The period of 1760-90, that in which Professor Greene did his most valuable research, is used by these students of his to "pay tribute to the scholar and homage to the teacher and the man."

There are eleven essays: Lawrence A. Harper, *The Effects of the Navigation Acts on the Thirteen Colonies*; O. M. Dickerson, *Writs of Assistance As A Cause of the Revolution*; Richard B. Morris, *Labor and Mercantilism in the Revolutionary Era*; Max Savelle, *The American Balance of Power and European Diplomacy, 1713-78*; Clarence E. Carter, *The Office of Commander in Chief: A Phase of Imperial Unity on the Eve of the Revolution*; Louise B. Dunbar, *The Royal Governors in the Middle and Southern Colonies on the Eve of the Revolution: a Study in Imperial Personnel*; Herbert M. Morais, *The Sons of Liberty in New York*; George Groce, Jr., *Eliphalet Dyer: Connecticut Revolutionist*; Sidney I. Pomerantz, *The Patriot Newspaper and the American Revolution*; Michael Kraus, *America and the Irish Revolutionary Movement in the Eighteenth Century*; Robert A. East, *The Massachusetts Conservatives in the Critical Period*.

Harper shows that the Navigation Acts not only placed burdens on the colonies that offset benefits but tended to check economic growth. Dickerson shows that Writs of Assistance were not confined to any one colony, and that they were designed to curb the courts. It is gratifying to know that judges in all the colonies resisted this attempted coercion. Morris presents in great detail the problems resulting from war and disturbed economy in general, and points out efforts to regulate wages and prices. Savelle concludes that the French contribution to American success was undoubtedly much more influenced by desire to restore colonial balance than feeling of sympathy for the Americans. Carter gives a vivid picture of the office of Commander in Chief, and especially the work of Gage in this office. Miss Dunbar's accounts of royal governors are interesting. Weak appointments, desire to live on good terms with the Colonials, interest in land speculation and the expanding influence of the Commander in Chief resulted in the decline in prestige of this office. Morais gives an interesting account of the origin, growth, and influence of the Sons of Liberty. Groce's picture of Eliphalet Dyer is clear, and not too attractive. He was an official most of his life, and most of his energies seem to have been used in land speculation. Pomerantz's essay on the Patriot Newspaper is one of the best and most interesting of the group. It is a compliment to many of the newspaper men of that day that they stuck so closely to the ideals of a free press in the midst of so great an emotional pressure. The connection between American and Irish Revolutionary activities was pictured clearly, and it is pleasing, indeed, to feel that the Irish were so heartened by our own success. East gives a stimulating account of the feelings and actions of the Massachusetts conservatives. In their desire to enhance and protect their own interests, in the collection of debts,

speculation in public securities and western lands, a majority of them, at first, seemed inclined to put their trust in strengthening and controlling their own local government, but when Shay's Rebellion occurred many of them turned their attention to strengthening the general government.

The unusual excellence of the entire collection affords the tribute and homage to Professor Greene, for nothing can give greater satisfaction to the master than good workmanship in the student. There is a good index, and the product as a whole is a credit to the Columbia University Press.

College of Mines and Metallurgy,
The University of Texas

J. L. WALLER

Gabriel, Ralph H., *The Course of American Democratic Thought*. (New York: Ronald Press, 1940, pp. xi, 452.)

This attempt to trace the development of American democratic traditions from 1815 to 1940 is executed with the sure hand of a fine historical scholar. It sparkles with crisp statement and an imagery seldom found in historical writing. Frequent quotations, immaculately selected, present with vigor the ideas of those who have contributed to the tortuous denouement of contemporary democratic doctrines.

The volume is the product of a vigorous historical knowledge, but it is not fitted into the mosaic of American political thinking. The attempt is made to buttress it upon the naive reactions of the common man in various parts of the country, to give it an earthly tonal quality, but those tableaux are not sufficiently interpreted to serve as a point of departure. American individualism, despite the Turner thesis, had roots that reached back into the sixteenth-century struggle against power. The Calvinist doctrine of non-resistance became, in seventeenth-century New England, the basis for a doctrine of resistance, and congregationalism sprang from logic if not from admonition. Moreover, the revolt against the fact of strong government, as epitomized in mercantilism, was no less vigorous in the American colonies than in the mother country. The *Wealth of Nations* found as ready acceptance in the United States as among the rising bourgeoisie of England.

The author should, therefore, have moored his launch to the buoy of skepticism of power. If the government were reduced in power, the discretion (though not the liberty) of the individual was enhanced. And the Constitution is dated by its circumspect denial of power to the government. Thus, if Professor Gabriel had explained his common man on the frontier as one who went there on his own initiative, rather than one who had been settled there by his government, his analysis of early American individualism would have gained in simplicity and also in strength.

The volume is valuable in that it rediscovers Americans who have disappeared from the memory of the present. Among these are Orestes Brownson, Isaac Thomas Hecker, the Careys, Noah Porter, Lewis Henry Morgan, Octavius Brooks Frothingham, Lester Frank Ward, Friedrich List, and Washington Gladden.

But there are also some very painful omissions. Where is the ghost of Burlamaqui? Though long since dead, this doughty Swiss's speculation upon the immutability of natural law was, in the early nineteenth century, of incalculable importance in stiffening the skepticism of strong government.

The utopian experiments are ostentatiously ignored, except for idealistic Brook Farm which is included only on account of the dissension of Emerson and Hecker. The Fourierist phalanxes, New Harmony, Bethel and Aurora, the Oneida Perfectionists, the Shakers, the Amana community, and the dozens of less pretentious attempts to escape from the perils of rugged individualism cannot be omitted without mortal injury to the complete picture of American democracy.

I miss especially the shadow of Josef Proudhon. Where are Josiah Warren, Benjamin Tucker, and Emma Goldman? True, Henry Thoreau is discussed, but his influence upon the development of American anarchism was practically nil. His rebellion was too complete to leave a ground for compromise in the building of democratic institutions. This cantankerousness is shown by his statement that an honest man cannot remain out of jail. The American people could ignore Thoreau as an eccentric, but they could not treat Emma Goldman, "Wild Bill" Haywood, or Alexander Berkman in the same manner.

The Muckrakers are likewise practically ignored. It is true that two are casually mentioned, but Charles Edward Russell, Lincoln Steffens, Upton Sinclair and others of that amazing group might well have never incurred the enmity of those who supported Andrew Carnegie's "gospel of wealth." Sufficient attention is given the latter, and to the contribution of the university savants, but those effective journalists, who moved great blocks of American citizens into the interventionist camp from 1900 to 1910, are grossly underestimated in their importance. In many ways, they nullified the popular decision of 1896; the election of Woodrow Wilson in 1912 may well be attributed to them, as well as may the interventionist legislation of the first Wilson years.

What Professor Gabriel does not sufficiently emphasize is that the Americans were, before the Civil War, interested in governmental forms; thereafter, they're concerned with functions. The economic man became the economic group, and the increasing concentration of wealth produced an increasing faith in governmental interventionism among the individual citizens. And the great political issue of the present, as the author only vaguely hints, is whether or not the political power of America may be used to achieve the common welfare without too great disturbance to the traditional American economy of private property and individual initiative.

University of Oklahoma

CORTEZ A. M. EWING

Priestley, Herbert Ingram, *France Overseas: A Study of Modern Imperialism*. New York: The Century Company, 1939, pp. iii, 435. Published by the American Historical Association.)

France Overseas describes the genesis of the present French Empire in the nineteenth and twentieth centuries. The book is worthy of attention by students of imperialism as well as by all men eager for more than a superficial knowledge

of a bewildering world. Dr. Priestly, professor of history in the University of California, based his book, as its introduction affirms, on ten years' study.

Indeed, Dr. Priestly allowed his style and organization alike to be overwhelmed by the extent and variety of his research. Despite a good vocabulary, his writing is pedestrian, lacking the sparkle and lucidity that make for easy and comprehensive reading; at times the reader is almost forced to read by words rather than by phrases. Many of his stylistic difficulties arise from a too great condensation of material. Six or seven hundred pages in place of the actual four hundred thirty-five would have been better; seven hundred pages are indeed not excessive for a work of this scope, especially since it deals with little known places and cultures. Dr. Priestley could have improved his organization by dividing into "parts," as he did his chapter "Algeria," his lengthy and composite chapters on "Recent Trends" and "French West Africa." His readers may wonder, too, why West Africa and Madagascar are discussed in one chapter or why the abolition of slavery and the assimilation of Algeria are in the same fashion brought together into a single chapter, particularly since this treatment involves a deviation from his prevailing practice of organizing by regions.

Dr. Priestley could have clarified, perhaps even enlivened, his treatise by relating the evolution of imperial theory in France to the actual process of French overseas expansion. As it is, a person needs to read, for example, Robert's *History of French Colonial Theory* to correct and supplement Priestley's work. Priestley could also have given greater attention to the inter-relations of the French colonies and their relation to world affairs. Thus, it would have been enlightening to link more clearly French developments in Morocco and Algeria with the interlocking tensions of world imperialism or to show more clearly the relations of French campaigns in Indo-China to British ambitions there and in India; even his maps reflect his tendency to treat each colony in isolation.

It is only in its final chapter on "Recent Trends" that *France Overseas* becomes stimulating by its breadth of view and by its grasp of fundamentals such as the role of raw materials, of population pressures, and of private interests—in fine, the worth of colonies to a great power. Yet even here the author's organization bogs down occasionally in a morass of factual data. All this could be forgiven gladly, had he but made a little more lucid and cogent the reasons for his conclusion: "It is obvious that the possession of colonies is a political liability rather than an asset."

There are some factual slips. The Vienna Congress did not end slavery as is implied on page twenty-four; most English missionaries in Madagascar were Congregationalist, not Methodist; the 1883 Madagascar mission to the United States (p. 305) was not secret; the description of the origins of the French acquisition of Madagascar ignores the machinations of the local French consul, the pressure of imperialists in France and Réunion, and the influence of Anglo-French competition. The important tariff-assimilation law of 1892 is not given proper attention.

The book has several maps which are unworthy of the work. It has six tables in English which are marred by puzzling abbreviations. The index, despite a

few omissions, is large and useful. It is a pity that a book based on so much research should not be more readable.

Howard College, Birmingham, Alabama

GARLAND DOWNUM

Parsons, Elsie Clews, *Pueblo Indian Religion*. (Chicago: University of Chicago Press, 1939, Vols. I and II, pp. xviii, 1,275, 31 illustrations.)

To an imposing list of studies already published, Dr. Parsons adds this two volume work on Pueblo Indian religion. The Indians dealt with constitute a chain of villages extending from the Hopi country in the plateau of northeast central Arizona, through the Zuni in western New Mexico, Isleta and other towns along the Rio Grande, to Taos in northern New Mexico. "Looked at from without," states the author, "Pueblos appear as a marginal people, on the fringe of that highland culture area of America which is distinguished economically by maize and cotton, by fine pottery and cloth and great buildings, and in social structure by elaborate priesthoods, calendar, and rituals." These people are of great historical interest. Coronado visited several of the groups and other Spanish explorers brought them within the scope of written history at a very early date.

In an introduction of more than a hundred pages, the author gives a general account of these Indians pointing out certain common qualities and also certain traits that differentiate one from the others. Then, in great detail, she deals with their ceremonial organization; with Pueblo notions of the spirit world; and with the complicated rituals that determine so much of their conduct. Tabulations are made revealing the various notions and practices of the different peoples, enabling the reader to compare and contrast them in a single chart.

Volume II contains a comprehensive description of their ceremonies; and the Pueblos apparently never grow tired of ceremonies. For the general reader, the most useful part of the work, perhaps, is the chapter in which the author reviews in a concise way the history and the outstanding practices of each of the several towns.

The most impressive fact revealed by this study is the tenacity with which the Pueblo people have clung to their ancient practices, in spite of contacts with an alien civilization extending, in some instances, over four centuries. For instance, Coronado visited Zuni; the settlement was well-known to Espejo and Oñate; and a mission was established there as early as 1639. Although missionary contacts were not retained at all times, from that date on the Spanish missionary efforts were great and persistent. Yet, the author found that the various ancient institutions not only still existed but were still thriving. There are the rain societies, various curing societies, fire, jugglery, stick swallowing, and several other societies. There are war dances and corn dances, and several other organizations and ceremonies which are taken seriously and play a vital part in the lives of these people. At Laguna, the most Americanized of the villages, there has been revived the winter solstice ceremonial, cachina dances, and many other ancient practices.

This reviewer has not seen a more scholarly and comprehensive ethnological study than *Pueblo Indian Religion*. Surely, it is scientific enough to please the specialist, and it is simple enough for the lay reader to comprehend. One practice, that of placing references to authorities at the back of the second volume, is vexing. It was done evidently to conserve space, but it will prove a handicap to serious students who may wish to examine references in connection with the text. The work is well illustrated, and the craftsmanship is good.

Hardin-Simmons University

RUPERT N. RICHARDSON

Smith, T. Lynn, *The Sociology of Rural Life*. (New York: Harper and Brothers, 1940, pp. xx, 595.)

Attempts at writing rural sociologies have been made many times during the past quarter-century. The bulk of these books have been rural but few of them have contained much, if any, sociology. Too often what has been called Rural Sociology has been little more than a bit of wishful agricultural economics highly flavored by morsels of introspective philosophy, de-Calvinized religion, Rotarian ethics, and dubious agrarianism. Several efforts have been made to shake Rural Sociology loose from this platitudinous confusion. The most notable attempt of this kind, prior to the appearance of Smith's book, was undertaken by his former teachers, Sorokin and Zimmerman. However, not even they were able to accomplish such a feat with as complete success as he.

The author of the present volume has shown a strong tendency to rely upon his preceptors in formulating some of the principle theses to which he addresses himself. But in spite of his leaning upon them he has exhibited a degree of dogged independence and persistence which is entirely characteristic of himself alone. Because he has utilized the ideas of his masters when, if, and as they were useful he has not only revitalized much of the theory they presented but has also been able to go further and produce a great book in his own right. He has given a new fragrance and a distinctly refreshing odor to the discipline we call Rural Sociology and has done much to lift it from the quagmires of ruminative speculation to the plane of objective respectability.

Within the brief confines of this book, Smith has given in most respects an excellent treatment of the rural world, the physical, mental, and demographic characteristics of the rural population, forms of settlement, land holdings, social differentiation, social stratification, rural social institutions, and the operation of social processes in rural society. Probably no one has yet given as thorough or as penetrating a discussion of rural social organization from what may be called an institutional point of view as he. Certainly it has not been done in an equivalent amount of space. The same applies to his characterization of the rural population. Obviously he possessed both the inherent ability and the factual knowledge needed to enable him to do a magnificent job on the topics he approaches. So much for the positive virtues of the book. Those who may not like it will not be able to ignore it and continue to consider themselves informed on the literature of Rural Sociology.

Despite the innumerable commendable features of the book, many readers will feel that it has its limitations. Undoubtedly too much relative weight has been given in total to the various aspects of land holdings. The book has swung from the Midwest toward the South as if to correct one long enduring evil of over-provincialization of Rural Sociology is to commit another. Truly the South is the greatest agricultural area of the country in terms of people on farms but it certainly is not more rural than North Dakota and other parts of the Great Plains in terms of the relative importance of agriculture as an occupation for its people. Moreover, the South can scarcely claim to be more rural than the Midwest in terms of what its agriculture means to the nation as a whole. It will likely be thought by many rural sociologists that this book is too much a development of Rural Sociology as a science for the sake of science and that it does not lend itself adequately to functional uses. The reviewer abjures this criticism for himself but is forced to predict that it will be soon forthcoming. Then there are some minor criticisms. Smith is definitely deluded by such fallacies as that the share cropper and the wage hand are both only farm laborers and the travesty that Old Testament morality finds its firmest stronghold in the rural South. Now and then there are unfortunate rhetorical vagaries in the language of the book, but these are usually harmless since they seldom do actual violence to the context.

Over all, this text is an outstanding contribution both as a pedagogical device and as a body of stimulating, imaginative, analytical, scientific inquiry.

Oklahoma Agricultural and
Mechanical College

OTIS DURANT DUNCAN

Ebenstein, William. *Fascist Italy*. (New York: American Book Co., 1939. pp. x, 310.)

The purpose of the author is to "present a unified view of the Fascist state in Italy as an integrated complex of institutions, policies, and aspirations." Although such a task is a difficult one, especially under present conditions, it might be said that in many respects the goal has been attained. Instead of considering only political structure and processes, the author has also carefully analyzed the social and economic results of Fascism. In ten chapters an analysis has been made of the rise of Fascism, Fascism in power, law and justice, propaganda, education, religion, population, corporative theory, the corporative state in action, economics and public finance, foreign policy and diplomacy, and the quest for empire.

Most conclusions reached point to the shortcomings of the system in Italy. For example, the chapter on law and justice leads to the conclusion that justice before the courts under Italian Fascism is lacking. The statements on foreign policy lead to the conclusion that, so far as Italian welfare is concerned, Fascist foreign policy has been unwise. Efforts are also made to show that the results obtained through expenditures for public works have been less satisfactory in Italy under Fascism than in most other countries.

Many sources have been used to give a thorough account of the corporative state in action. Numerous facts and figures are given which show the degrading effects of the system on the wage earners and small farmers. Information which has been secured through investigation undertaken by independent studies is resorted to in order to show that there was only a slight increase in real wages in Italy between 1934 and 1937, whereas in most other countries there was considerable increase during that period. Likewise it is asserted that wheat prices in Italy in 1936 were 250 per cent and 300 per cent higher than on the world market but at the same time 3.4 per cent of the proprietors owned 68.3 per cent of the land. The result, of course, was that small landowners were not assisted, but actually injured by the Italian policies responsible for the high wheat prices. Other examples are used to show that the Fascist regime is less efficient, more expensive, and more likely to retard progress than is a democratic system.

It is pointed out that although "Fascism during its birth and rise to power had been generously supported by big business and finance as well as by large estate-owners, it has evolved its own historical momentum, and is acting according to its own fatal necessities and laws." There is now "actual supremacy of the political over the economic hierarchy in the nation." Notwithstanding all of the explanations of how this has been accomplished, it seems that the reader would get a more complete picture of the whole situation if there were a fuller analysis of the governmental regulatory policies and devices used to actually control business, such as the devices controlling prices, profits, etc.

Even though some might term this book as anti-fascist, nevertheless, extensive use has been made of what appears to be reliable reference material. A comprehensive bibliography is included.

Texas Technological College

L. C. RIETHMAYER

Johnson, G. Griffith, Jr., *The Treasury and Monetary Policy, 1933-1938*. (Cambridge: Harvard University Press, 1939. pp. 230.)

The author of this study is concerned with the significance of the abandonment of independent central banking (i.e., central banking more or less independent of Treasury influence) and the increased influence of the Treasury on monetary policy in the United States during the Roosevelt administration. Four major policies are discussed: the gold policy, the stabilization fund, the sterilization program and the silver program. This is followed by a chapter entitled: "The Process of Policy Formulation," and a brief concluding chapter. The information contained in the study—together with certain additional information—was submitted as the author's doctoral thesis at Harvard.

It was wholesome and desirable, if not inevitable, that control of monetary policy was shifted from the Federal Reserve Administration to the Treasury, the author thinks. His chief source of criticism is not that control has been in the wrong hands, but that the exercise of such control has been misguided. Monetary control under the Roosevelt administration, so the argument runs, was guided by the needs of the recovery program, and the requirements of exchange

equilibrium were subordinated to the needs of the domestic recovery program. The writer is genuinely critical of most of the policies actually adopted, and condemns them because they were hasty, ill-conceived, ill-advised, opportunistic or a combination of these. The gold policy is condemned largely because it was conceived and executed on quack advice supplied by Professor Warren to bring back prosperity by raising the price of gold. His principal criticism of the sterilization program and the stabilization fund is that they were conceived and operated primarily as instruments of internal credit policy, rather than to secure and maintain stabilized exchanges. It seems to me that it would have been better to omit his chapter on the abominable silver program. That has been effectively condemned elsewhere. Furthermore, the gold policy, the stabilization fund, and the sterilization program are fundamentally different in aims, methods and influence on the economy from the monetary policies of preceding administrations, and the philosophy of which these policies are necessary parts is also different from the economic philosophy which preceded. This is not true with respect to the administration's silver program. This policy consists chiefly in continuing to subsidize the owners of silver mines, and differs from preceding policy only to the extent that the subsidy is larger and is received by a more concentrated group. It was no more necessary that the administration should subsidize the United States Smelting, Refining, and Mining Company than that it should continue to subsidize the Aluminum Company of America by protective tariffs.

The writer has chosen a timely subject and an ambitious task. Obviously a considerable amount of careful work has gone into its composition; but that is not enough. Dr. Johnson is not concerned with whether or not it was advisable for the administration to take over control of monetary policy. It is generally conceded that *if* the administration was to adopt a broad program of recovery, control of monetary policy was essential. Many have lamented such a delegation of power, but that is because they have considered the whole program undesirable. Although the writer states that his purpose is not to pass judgment, that is precisely what he does on far too many problems. In too many cases there is too much logic, not enough evidence.

The University of Texas

W. NELSON PEACH

Hughes, Helen MacGill, *News and the Human Interest Story*. (Chicago: University of Chicago Press, 1940, pp. xxiii, 313.)

"The things which most of us would like to publish are not the things most of us want to read."

With that declaration in Robert E. Park's introduction, one starts an interested reading of Helen MacGill Hughes' *News and the Human Interest Story*. The book suffers a bit from the title. At first sight one might judge that it is another journalism text, but it is not that. Rather, it is a consideration of the background and development of those forms of writing, particularly journalistic, that by virtue of human appeal sweep newspapers to dizzy heights of circulation and

cause paeans of joy in the business office. This is one of the volumes in the University of Chicago Sociological Series.

I suspect that many an editor will delve into this book to find out what interests people, and I think he will succeed in finding plenty of ideas. Here is the background of the development of mass appeal. The author touches many publishing ventures from broadside ballads of generations ago, which sold in hundreds of thousands, to the *Mirror* and *Daily News* of New York.

And what does the author tell us? Interesting is the statement that "every new kind of newspaper in the last hundred years was able to claim, for a time, that it had the largest circulation in the country." Every experiment and technical advance was to reach larger sections of the public, and the author apparently thinks that the tabloid has attained to the heights, or perhaps rather sunk to the lowest depths of potential readers.

It's a sordid story she tells of the New York tabloids. The editor of the *Graphic* is said to have stated: "Any man who cannot be yellow has no place on the staff." There has been a constant search for luridism. Murder and sex, with plenty of pictures, made many a paper's name, even if afterward, for advertisers' sake, it became more respectable.

While it is true that scandal will draw readers, as the author points out, I think it is by no means true that human interest of necessity means such things. Gunther made *Inside Europe* by treating of personalities rather than governments. Siddall years ago rescued the *American Magazine* from an untimely death by means of the same idea. Civilization is made up of people. There are not machines and abstract facts without people.

The author might be interested in knowing that most publishers today feel they are in need of a new life saver—perhaps it is more human interest, but not scandalous human interest. I do not think many newspapers in the Southwest, or anywhere for that matter, have sounded the possibilities of the human interest story. The great Southwest has a romance and human interest, both past and present, that is still almost unworked in journalism and literature.

The University of Texas

ROBERT P. CRAWFORD

The fourth edition of F. W. Taussig's *Principles of Economics* (2 vols. New York: The Macmillan Company, 1939, pp. vii-xxii, 3-547) differs from preceding editions (3d. ed. 1921), chiefly in the addition of more recent factual material needed to bring the text up to date, and a rather complete revision in the method of presenting "Money and Banking" (Book III), and "Distribution" (Book V). Other less radical changes include: a discussion of recent literature on monopolistic competition; a new chapter entitled: "Dislocated Exchanges;" new material on recent labor legislation and recent trends in labor organizations; the chapter entitled "Workmen's Insurance. Poor laws" has been rewritten to include treatment of Social Security legislation; and there are numerous other changes. Nevertheless, although none of the chapters has been left wholly untouched by the revision, the book is essentially the same as the first edition, pub-

lished in 1911. It retains the orthodox viewpoint and analysis. Prof. Taussig has, for the most part, consciously omitted developments in theory during the past twenty years, because he feels that they are of special interest to professional economists rather than beginners, and because he feels that "... the new speculations and reasonings have not yet been brought to a consensus of opinion," and anything which he might say about them now might be obsolete within a few years. Those who have found other editions of this text satisfactory will doubtless welcome the present revision.

W. N. P.

Russell J. Doubman's *Salesmanship and Types of Selling*. (New York: F. S. Crofts & Co., 1939, pp. 324) was designed to complement the author's *Fundamentals of Sales Management*, and hence should fit nicely into the programs of those schools which are using the earlier text. As books on salesmanship go, Dr. Doubman has done a commendable job. He has avoided almost entirely the "wishy-washy" story-telling vein which makes most books on this subject so obnoxious to both scholars and businessmen. There is also evidence of a worthy effort to avoid the highly theoretical and impractical, but here, many readers will feel that there is further room for improvement. Dr. Doubman follows the generally accepted outline of pre-approach, approach, demonstration, and close, but handles the material much more concisely than do a number of well known authors on salesmanship. The book makes a real contribution in that the scope has been extended to include chapters on Retail Salesmanship, Wholesale Salesmanship, The Sale of Intangibles, Direct Sales from House to House, Selling by Telephone, Radio Salesmanship, Automatic Selling, Selling Industrial Equipment, Selective Selling, Selling Abroad, and Selling Oneself. By discussing such subjects, which logically should be discussed in a course on selling, the author has produced a book which can serve as the basis for a more complete course on salesmanship with less reliance on assorted outside readings.

R. W. F.

So far as The Survey of Federal Archives, Division of Women's and Professional Projects, Works Progress Administration, The National Archives, Sponsor, *Inventory of Federal Archives in the States* (San Antonio, Texas: The Historical Records Survey, 1939) applies to Texas, the Southwestern Social Science Association has received Series II—The Federal Courts, in four parts; Series III—The Department of the Treasury, in four parts; Series IV—The Department of War, in twelve parts; Series V—The Department of Justice; Series VII—The Department of the Navy; and Series X—The Department of Commerce. Each series has a table of contents which throws light on topics related to it and indicates that the research has kept detailed work as well as organization in mind all along. For instance, Series VII, The Department of the Navy, which covers only twenty pages, shows that there are navy recruiting stations at Houston and Dallas, and navy recruiting substations at Abilene, Beaumont, Corpus Christi, El Paso, Fort Worth, Harlingen, Marshall, Texarkana, Waco, and Wichita Falls. Houston and Dallas both have a fleet naval reserve;

Dallas has also a naval radio station and a recruiting office for the Marine Corps; and Galveston has a branch hydrographic office and a radio direction finder station.

R. L. B.

Professor John Alley's little volume entitled *City Beginnings in Oklahoma Territory* (Norman: University of Oklahoma Press, 1939, pp. viii, 127) presents an interesting account of urban development in six of Oklahoma's principal cities, namely Guthrie, Oklahoma City, Kingfisher, El Reno, Norman, and Stillwater. In the remaining forty-seven states rural development came first; cities grew up later. In Oklahoma things were different. To use the words of the author, "Had a slogan been formulated it would have been, 'Organize, young men, and build cities.' " The last portion of the volume treats of the beginning of political parties and the battle which raged over the location of the State Capital. The book ends by relating the unraveling of territorial legal tangles and the formation of Oklahoma as a state in 1907.

S. A. M.

Mexico Today, A General Picture of the Objectives and the Achievements of Our Southern Neighbor, Edited by Arthur P. Whitaker (The Annals of The American Academy of Political and Social Science, Vol. 208, March 1940) is a collection of seventeen articles designed to present a discussion of "salient features of the present situation in Mexico." The papers are the work of Mexican writers; seven are prepared by "United Statesers." All are written by recognized authorities in their respective fields, and, while some of the material has appeared elsewhere, no serious student of contemporary Mexico can afford to remain ignorant of the data assembled.

R. D. H.